ROBECO
The Investment Engineers

STEWARDSHIP REPORT 2024

Moving the needle, one constructive dialogue at a time

Contents

“ We believe that the effective stewardship of assets is a key enabler to fulfil our and our clients’ purpose, vision and strategy

Peter van der Werf, Head of Active Ownership

Introduction

As a global asset manager, we observe significant variations in regional approaches to sustainability. Increasing regional disparities, particularly in climate investing, reflect the diverse markets we serve. It's evident that sustainability holds different meanings for different people, shaped by their unique contexts and priorities. At Robeco, we strive to balance our clients' goals of return, risk, and sustainability by attentively listening to their objectives and customizing our solutions accordingly. Our expertise and capabilities enable us to deliver these tailored solutions.

In this evolving landscape, we have witnessed several large asset managers exit from the Climate Action 100+ Initiative, an exodus of North American banks and asset owners from net-zero alliances, and a potentially changing emphasis on sustainability in the new UK Stewardship Code. However, Robeco is staying the course when it comes to sustainability and stewardship, focusing on our key SI topics: climate change, biodiversity, social issues, corporate governance and the Sustainable Development Goals (SDGs).

On behalf of our clients, we continue to actively engage with investee companies around key sustainability risks, impacts and opportunities, and as such we support them in building future-proof business models. We believe that more sustainable corporate behavior results in an improved risk-return profile of our investments. We use our engagement and voting rights to strengthen corporates' awareness and approaches toward responsible business conduct; one constructive dialogue at a time.

In 2024, we further strengthened our climate engagement program and climate voting policy, managing both risks and opportunities, to the benefit of our clients and long-term value creation. During the year, we concluded several of our climate engagements successfully, with most investee companies meeting the climate expectations. In 2024 we took part in collaborative engagements at over twenty of the Climate Action 100+ Initiative's focus companies, either as a lead or a contributing investor.

In line with our no deforestation commitment, and on behalf of our clients, we actively engage companies in sectors that have a considerable negative impact on biodiversity. Biodiversity-related considerations are also included in our voting guidelines. In 2024 we engaged explicitly on the topic of biodiversity loss with more than thirty companies as part of different engagement programs, either collaboratively or directly with the investee company.

Protecting human rights is also a key topic, and we incorporate this in our three-year engagements and voting activities. During the year, we successfully closed fifty-seven percent of engagement cases in the 'Labor practices in a post Covid-19 world', focused on improving labor standards for workers in the gig economy, hospitality, and retail sectors. One relevant theme that we will expand and extend is our 'Diversity & inclusion' theme. It will be transformed into a broader human capital management theme that addresses a wider range of workforce topics relevant to investee companies.

As we move forward, Robeco remains committed to driving positive change and fostering sustainable practices. Amidst growing regional differences in the adoption of sustainability, our dedication to sustainable investing, combined with our strategic engagement and voting activities, ensures that we can continue to support our clients in achieving their long-term investment goals.

Mark van der Kroft
Chief Investment Officer,
On behalf of the
Robeco Executive Committee

Robeco's 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 creating wealth to creating wealth and well-being. We are the leading sustainable asset manager and will continue to improve and innovate.

Robeco's mission

'To enable our clients to achieve their financial and sustainability goals by providing superior investment returns and solutions'. The mission is supported by our key investment beliefs:

1. As an active asset manager with a long-term investment view, we create added value for our clients.
   a. Our investment strategies are research-driven and executed in a disciplined, risk-controlled way.
   b. Our key research pillars are fundamental research, quantitative research and sustainability research.
   c. We can create socioeconomic benefits in addition to competitive financial returns.

2. ESG integration leads to better-informed investment decisions and better risk-adjusted returns throughout an economic cycle.
   a. Sustainability is a driver of structural change in countries, companies and markets.
   b. Companies with sustainable business practices are more successful.
   c. Active ownership contributes to both investment results and society.

Voting and Engagement highlights

We are convinced that companies that adopt sustainable business practices have a competitive edge and are more successful in the long run. At Robeco, we believe that actively exercising our stewardship responsibilities is an integral part of our sustainable investment approach. Doing so involves using our influence and rights as an investor to improve the behavior of the companies we invest in.

Moving the needle, one constructive dialogue at a time

We use engagement and voting to achieve this goal because we are convinced that doing so enhances the financial performance of those firms and benefits society. This approach is aligned with our mission to use research-based, quality-driven processes to produce the best possible results for our clients over the long term.

Figure 1 | Voting and engagement statistics

2024

EUR 178 BILLION Assets under engagement	EUR 87 BILLION Assets under voting
324 Engagement cases	6,655 Shareholder meetings voted at
301 Companies that we engaged with	75 Countries voted in
63% of engagement cases closed successfully	56% Meetings with at least one vote against management
23 Engagement themes	67,757 Proposals voted on

Source: Robeco figures as at 31 December 2024.

The assets-under-engagement figures we show above are based on Robeco's equity and credit portfolios for which we conduct engagements and voting. Robeco also votes and engages for clients whose portfolios are run by other asset managers; we call these 'overlay clients'. During 2024, we welcomed a new engagement overlay client, while two other clients no longer required our services. In total, we have ten overlay clients, representing approximately EUR 650 billion in assets, as per 31 December 2024.

Open and closed engagement themes 2024

On an annual basis, the Active Ownership team selects two or three new engagement themes to add to the engagement program, in close collaboration with our investment teams, SI colleagues and clients. These themes are expected to span three years. Please find below the themes that were closed and initiated during 2024.

Closed theme: Labor practices in a post Covid-19 world

From 2021 to 2024, Robeco engaged with seven companies located across three regions, covering the gig economy, hospitality, and retail sectors on improving labor practices among direct and indirect workers. The goal of our 'Labor practices in a post Covid-19 world' engagement theme was to encourage the adoption of responsible labor practices, especially among the most vulnerable workers such as women and migrant workers, to ensure the long-term social viability of companies in a post-Covid world. Fifty-seven percent of engagements were closed successfully.

Open themes: Hazardous chemicals; Ocean health

We launched two new engagement programs related to biodiversity in 2024:

- Hazardous chemicals: The theme targets chemicals companies that produce or use per- and polyfluoroalkyl substances (PFAS) – so-called 'forever chemicals' that do not break down and have been linked with a range of harmful effects on human health. Through our engagements, we are requesting companies to reduce the hazardous nature and persistent chemical footprint of their products, and ideally phase them out entirely from the production process.
- Ocean health: We are engaging with firms involved in ocean-based activities such as seafood harvesting, shipping and cruise lines in this theme, asking them to consider how they can manage both their impacts and dependencies on marine health. It also explores opportunities in the transition toward business models that are nature-neutral and even have restorative value creation models.

Furthermore, we continued to expand our engagement coverage by initiating new climate and nature-related engagement programs with investee companies. Where most relevant, we also integrated climate in existing engagement dialogues.

Engagement collaborations 2024

Our philosophy is that collaborative action strengthens our engagement approach, as exemplified by our engagement collaborations below.

Figure 2 | Robeco's engagement collaborators in 2024

Main collaborations	Companies under engagements
Asian Corporate Governance Association (ACGA) An independent, non-profit membership organization dedicated to working with investors, companies and regulators in the implementation of effective corporate governance practices throughout Asia.	Hyundai Motors, Shin-Etsu Chemical
Climate Action 100+ Initiative An investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.	Anglo American, Berkshire Hathaway, BHP Billiton, BP, Caterpillar, Inc., CEZ as, Chevron, Cummins Inc, Ecopetrol SA, Engie SA, ExxonMobil, Holcim, LyondellBasell Industries NV, Marathon Petroleum Corp., Petroleo Brasileiro, Phillips 66, Rio Tinto, Shell, Saudi Arabian Oil Co., Total Energies, Valero Energy Corp
Eumedion A Dutch foundation representing the interests of Dutch and foreign institutional investors with investments in Dutch listed companies.	Adyen, Ahold Delhaize, Arcadis, ASML, DSM-Firmenich AG, Heineken Holding, Signify, Unilever
Fostering Action for Biodiversity through Responsible Investment in Clothing (FABRIC) An investor-led collaborative engagement initiative designed to address the environmental impact of the textile industry, with a particular focus on apparel retailers. Through the initiative, Finance for Biodiversity Foundation aims to coordinate stewardship actions that promote responsible nature practices and align the industry with global biodiversity targets.	FABRIC's collaborative engagements will formally launch in 2025, specifically targeting the textile industry and focusing on phasing out the use of fossil fuels, promoting circular business models and setting Science-Based Targets for Nature on land use and freshwater use
Farm Animal Investment Risk & Return (FAIRR) A collaborative investor initiative to raise awareness about the material ESG risks and opportunities caused by intensive animal production, including biodiversity. Robeco is active in two of FAIRR's collaborative corporate engagements: Sustainable Aquaculture and Waste and Pollution.	Cranswick, Leroy Seafood
Institutional Investors Group on Climate Change (IIGCC) A collaborative platform to encourage public policies, investment practices, and corporate behavior that address long-term risks and opportunities associated with climate change.	Barclays, BNP Paribas, HSBC, ING Groep
Investor Policy Dialogue on Deforestation (IPDD) An investor-led engagement initiative to halt deforestation in the most vulnerable biomes of the world. Its goal is to coordinate a public policy dialogue on halting deforestation by engaging with government-related authorities and associations, industry and trade bodies and other stakeholders.	Indonesia, Brazil

Main collaborations	Companies under engagements
Nature Action 100 A global investor engagement initiative focused on driving greater corporate ambition and action to reverse nature and biodiversity loss.	Ahold, Alibaba Group Holding, Archer Daniels Midland, Britannia Industries, Corteva, LG Chem, Sociedad Quimica y Minera, Wens Foodstuffs
Platform Living Wage Financials (PLWF) An alliance of 24 financial institutions that encourages, supports and monitors investee companies, committed to enable living wages and living incomes in global supply chains.	Adidas, Compagnie Financiere Richemont, Hugo Boss, Inditex, Lojas Renner SA, LVMH Moet Hennessy Louis Vuitton, Moncler SpA, Nike, PRADA SpA, Puma
PRI-led Collaborative Sovereign Engagement on Climate Change PRI initiative enabling investors to support governments to act on climate change. The initiative aims for investors to work collaboratively to support governments to take all possible steps to mitigate climate change, in line with investors' fiduciary duty to mitigate financial risk and maximize long-term value of assets.	Australia
PRI SPRING A PRI stewardship initiative for nature, addressing the systemic risks of biodiversity loss to protect the long-term interests of investors. The initiative aims to contribute to the global goal of halting and reversing biodiversity loss by 2030.	Banco BTG Pactual S.A., Contemporary Amperex Technology Co Ltd (CATL)

An overview of our SI memberships and initiatives can be found here: https://www.robeco.com/files/docm/docu-relevant-codes-and-memberships.pdf

Sustainable investing

Sustainability is a key element in our corporate strategy. To support our strategic ambitions in this area, in 2021 we launched our Sustainable Investing (SI) strategy 2021-2025. Our ambition is to be the first port of call for clients when they start their sustainable investing journey, and as part of our strategy we provide sustainable investing solutions for all clients. We have designed some of these solutions specifically to make a positive impact on society or the environment.

Our Sustainable Investing strategy is underpinned by Robeco's core beliefs: every decision we make is research-driven, we adopt a 'pioneering but cautious' approach, and we believe that ESG integration leads to better-informed investment decisions and better risk-adjusted returns.

In 2024, we further expanded our SI Open Access initiative, making Robeco's SDG scores for over 30,000 companies available on Bloomberg. Having developed these scores in 2017, we first made them available to clients and academics in 2022 as part of SI Open Access and in 2023 we made them freely available to anyone on Robeco's main website.

In 2024 we made significant strides in executing our net-zero roadmap, as we discuss in the section on climate change (see page 24). We further developed our climate engagement program with the aim of helping foster the climate transition in the broader economy. As part of this, we continued our involvement in the Climate Action 100+ group; Robeco is the lead engagement manager for 12 investee companies.

We developed a new proprietary controversy score for our SDG Framework, which scores companies' actions based on their impacts instead of their financial return prospects. We also continued to develop our social issues framework and our Biodiversity Traffic Light, which will complement our SDG Framework.

Sustainable investing solutions

In this section we outline how Robeco integrates sustainability in its investment strategies.

Our growing range of sustainability-oriented investment solutions is a reflection of our mission to help our clients achieve their financial and sustainability goals. In 2024 we continued to integrate financially material ESG issues in our investment decisions. While we have been integrating ESG since 2010, we are always striving to enhance our approach to ESG integration, and made a number of improvements during the year.

Sustainable investing in a fragmented landscape

Sustainable investing is at a crossroads. While it remains a core differentiator for Robeco, the landscape is becoming increasingly complex and fragmented. Regional differences in sustainability approaches are widening, with divergent regulations and shifting client expectations.

The recent exit of North American banks and asset managers from net-zero alliances highlights this fragmentation. We also see increasing policy uncertainty and concerns about the global commitment to climate action.

Despite these challenges, we believe the financial industry's long-term commitment to net-zero remains intact. But the path forward is less clear, making it harder for clients to navigate the evolving landscape. While some regions step up their sustainability ambitions, others are slowing down, leading to changing demands and varying levels of client readiness.

2024 marked yet another record-breaking year for global temperatures, reinforcing the long-term risks and opportunities that sustainability presents. Clients require guidance and solutions tailored to their needs, and at Robeco we remain committed to helping our clients navigate their sustainable investing journey.

Sustainability in the investment process

Robeco's portfolio managers and investment analysts are responsible for ESG integration into the investment process. Robeco offers clients a suite of different investment solutions. This covers various asset classes, investment approaches and sustainable investing building blocks, which includes various types of sustainability analysis, data and the impact of ESG matters on investment decisions and the investment universe. As such, the investment processes, risks, opportunities and exposures differ between these solutions. The investment teams have developed and customized ESG integration processes that add value to their own investment processes, as outlined in Robeco's ESG Integration Approach and Guidelines.

Even though assets are managed using different strategies and investment objectives to fit clients' preferences, it is Robeco's view that companies and countries that act in a sustainable way toward the environment, society and all its stakeholders are more likely to be able to deal with problems in the future. As an asset manager, we give shape to this philosophy via a set of policies that ensure our adherence to our stewardship responsibilities. These policies outline and guide our behavior on ESG integration; sustainability risk integration including climate change; voting; engagement with investee companies; and exclusions, as well as our own Code of Conduct. These policies are subject to a formalized annual review process, which evaluates whether our policies continue to meet best industry practices and reflect our internal processes accurately.

At Robeco, we consider financial materiality when integrating sustainability in the management of investment portfolios, and consider financial materiality and impact materiality (double materiality) for some of our investment portfolios. This involves considering the impact of sustainability factors on the financial value of our investments ('financial materiality') to help us make better-informed investment decisions and, for specific strategies or client solutions, the positive or negative impacts of our investments on the environment and society ('impact materiality'). We integrate financially material ESG considerations in 98% of our investment strategies. We have also developed a broad range of investment strategies whose impacts on the environment or society we consider. Our SDG

Framework, forward-looking climate metrics and exclusion policy help assess the impact materiality in our investment portfolios. Meanwhile, our stewardship activities aim to increase the positive impacts the companies and governments we invest in make and reduce or mitigate any negative impacts.

Strategies with a range of approaches to sustainability

Providing clients with a full range of investment solutions that cater to their sustainable investing needs is a key pillar of Robeco's Sustainable Investing strategy. Doing so supports our company's mission to help our clients achieve their financial and sustainability goals by providing superior investment returns and solutions.

We integrate sustainability to varying degrees across our investment products. Please find below an overview of our product range and their respective sustainability objectives.

Figure 3 | Overview of Robeco's product range and sustainability objectives

Investment Strategies	ESG Integrated	Portfolio engagement	Transition	3D investing	Sustainable	SDGs	Climate	Sustainable thematic	ESG Bonds
Objective	Integrate financially material ESG issues into decision making and apply exclusions, engagement and voting.	Create positive impact by investing in companies which can show progress on specific sustainability topics and which are open to engagement	Invest in issuers that are making, enabling or financing the transition to a world with lower carbon intensity, less impact on nature and fairer societies	Careful weighing of risk, return and sustainability factors. The portfolio should have an attractive sustainability profile over time, but this profile can fluctuate given market conditions	Invest in companies that are contributing positively to sustainable development and/or reducing exposure to companies that do harm	Invest in companies that contribute positively to the Sustainable Development Goals	Invest in issuers that are aligned with the Paris Agreement	Invest in companies that are contributing positively to sustainable development in specific themes	Invest in bonds that contribute to climate and environmental targets
Examples	Robeco Emerging Markets Equities, Robeco Sustainable Global Stars Equities	Robeco SDG Engagement Equities, Robeco Fashion Engagement Equities	Robeco Global Climate Transition Equities, Robeco Asia Transition Bonds	Robeco 3D ETF range	Robeco Sustainable Emerging Stars Equities, Robeco Sustainable Property Equities	Robeco Global SDG Equities, Robeco Global SDG Credits	Robeco Climate Global Credits, Robeco QI SDG & Climate Beta Equities	Robeco Smart Energy, Robeco Sustainable Water	Robeco Global Green Bonds
SFDR classification	Art. 6	Art. 8				Art. 9			

Launch of 3D ETFs

After introducing a range of transition strategies in 2024, we also developed what we refer to as our 3D investments, with their three-dimensional approach: risk, return and sustainability.

By integrating sustainability as a third dimension alongside risk and return, 3D investing enables us to further optimize our portfolios to meet specific objectives. It is important to bear in mind that a 3D portfolio's sustainability profile may fluctuate over the short to medium term based on the characteristics of the companies we invest in.

For instance, if companies with strong sustainability characteristics become overvalued, we may reduce our exposure to them due to the portfolio's focus on risk and return as well as sustainability, which could temporarily affect its sustainability profile. That said, we expect these strategies' performance and sustainability profiles to be attractive relative to those of their benchmarks over the long term.[1]

Enhancing how we integrate financially material ESG issues to make better-informed decisions

Robeco has been routinely integrating financially material ESG issues in its investment processes since 2010. While this has been part of our day-to-day work for many years, we continuously seek to make improvements to our approach. In 2024 we made the following enhancements.

Fundamental strategies

During the year we further harmonized our

[1] More information on our 3D approach can be found at 3D Investing: Jointly optimizing return, risk, and sustainability | Robeco Nederland

approach to ESG integration across all our fundamental investment teams. We updated our company dashboard, which consolidates sustainability information for 14,000 companies. This new dashboard should enable our investment analysts to save time when searching for the most material issues to analyze for each firm.

Quantitative strategies

Our quantitative investment team made two improvements to its approach to ESG integration.

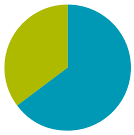
- Use of traffic lights in investment strategies:
  In 2023 we introduced our Climate Traffic Light to help us assess a company's alignment with the Paris Agreement. This measure evaluates a company's emission reduction targets and their likelihood of achieving them.[2] We now use this measure in Robeco's SDG and climate credit strategies to ensure their exposure is tilted toward companies that are working toward adhering to the Paris Agreement, especially in high-impact climate areas like energy, utilities, materials and transport.

- Position-sizing taking into account enhanced engagements in quant credit portfolios
  Robeco actively engages with companies to influence their behavior, particularly those breaching international social and climate standards or those with poor governance practices. Our enhanced engagement program addresses these issues with such companies, with the potential for exclusion from our investment universe if there is a lack of progress. Our quantitative equity portfolios already implemented smaller position sizes for companies in our enhanced engagement program, and we extended this approach to our quant credit portfolios in 2024.

Figure 4 | AuM breakdown

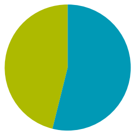
Assets under management (AuM): EUR 201.7 billion

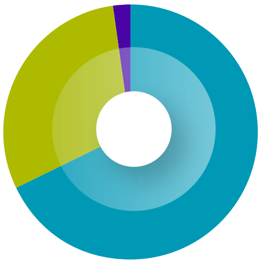
Institutional clients	Wholesale clients
131.0	70.7



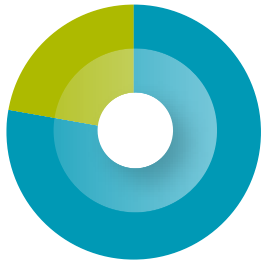
Assets under advice (AuA): EUR 12.3 billion

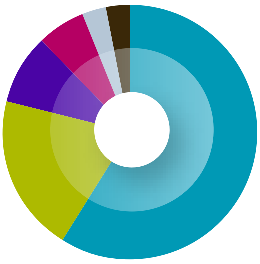
Institutional clients	Wholesale clients
6.7	5.6



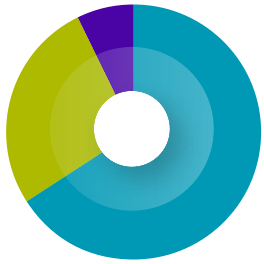


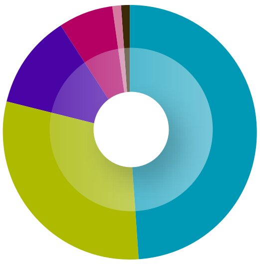
Asset classes	AuM	AuA
Equities	68%	78%
Fixed income	30%	22%
Balanced	2%	0%



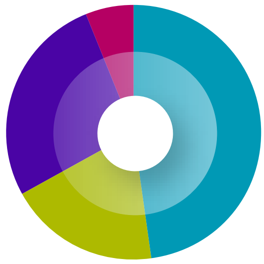


Clients by region	AuM	AuA
Europe ex UK	59%	66%
Asia-Pacific	20%	27%
United Kingdom	9%	7%
Americas	6%	0%
Middle East	3%	0%
Africa	3%	0%





Client type breakdown	AuM	AuA
Banks & other financials	49%	48%
Pension funds	30%	19%
Official institution	12%	27%
Insurance	7%	6%
Corporate	1%	0%
Foundation/endowment or other	1%	0%



Growth in sustainable investment strategies and solutions

Our total client assets in ESG-integrated strategies grew by 18,9% in 2024, primarily driven by market movements. As at the end of 2024, 98% of our assets integrated ESG considerations in their investment processes. The remaining 2% invested almost entirely in derivatives, for which it is too complex to integrate ESG. As such, changes in our ESG-integrated client assets largely mirror the overall movements in Robeco's total client assets.

[2] Please find more information on the methodology in the forward looking climate analytics methodology document on our website.

Our stewardship approach

Robeco believes that companies that have strong sustainability and governance policies in place are more likely to act in the best interest of all their stakeholders and are better positioned to deal with a variety of issues, such as non-financial risks and changing regulations. Subsequently, these companies are also better prepared to address long-term trends such as climate change. On such issues, we believe that engagement and voting are critical elements of a successful sustainable investing strategy and can improve a company's risk-return profile and address adverse impacts on the environment and society.

Robeco actively uses its ownership rights to engage with companies on behalf of our clients in a constructive manner. We engage with companies worldwide, in both equity and credit portfolios, applying the same approach. In addition to corporate engagement, we also conduct public policy engagements.

Our Active Ownership approach is built on three building blocks:

1) A long track record: Established in 2005, the experience of the Active Ownership team spans nearly two decades.
2) Multi-dimensional collaboration: We leverage the knowledge of the entire SI Center of Expertise, from SI Research on companies, to thought-leadership on climate change, biodiversity, and the SDGs, to retrieving feedback from our Client Portfolio Management team.
3) An integrated approach with the wider Investment domain: We collaborate with our investment teams to enhance the quality of our engagements and make the most of our engagement efforts.

This integrated approach, focused on knowledge sharing and leveraging our financial and sustainable investing expertise, places us in a leading position within the asset management field.

Voting and engagement definitions

What is corporate engagement?
Engagement consists of a constructive dialogue between institutional investors and investee companies or sovereigns to discuss how they manage ESG risks and adverse impacts, as well as seize business and economic opportunities associated with sustainability challenges. We engage with companies worldwide, in both our equity and credit portfolios, applying the same approach.

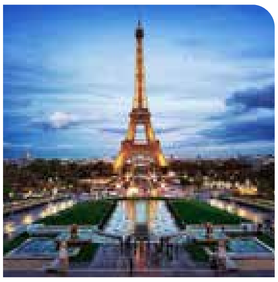
What is public policy engagement?
Engaging with policy makers, including governments, regulators and policymakers means pushing for industry-wide changes on sustainability topics. This also includes actively participating in consultations requesting our feedback on various topics relating to our stewardship activities.

What is voting?
As a shareholder Robeco is co-owner of many companies and has a right to vote on shareholder meetings for those companies. We use our voting rights with the aim of influencing the company's corporate governance and other relevant investment-related decisions in the best interest of our clients.

Figure 5 | Integrated active ownership approach

Voting
We encourage good governance and sustainable corporate practices, and safeguard shareholder value through voting and (co-)filing shareholder proposals.

Value & Portfolio Engagement
We aim to create value by improving the conduct of companies we invest in, and we seek to create impact by improving companies' contribution to the UN Sustainable Development Goals.



Enhanced Engagement
We act on the misconduct of companies we invest in our enhanced engagement program.

Public Policy Engagement
We push for wider systemic change on sustainability topics by engaging with governments, policymakers and regulators.

Resourcing

Robeco's Active Ownership team is responsible for all voting and engagement activities undertaken by Robeco on behalf of our clients. This team was established as a centralized competence center in 2005 and currently consists of 16 qualified voting and engagement professionals based in Rotterdam, London, Hong Kong, Singapore and Zurich. The Active Ownership team is part of Robeco's Sustainable Investing Center of Expertise.

The team is multinational and multilingual – a key benefit when we have operations globally and across diverse markets. This diversity provides an understanding of the financial, legal and cultural environment in which the companies we engage with operate. The engagement team is split into four specializations: environmental; social and governance; and controversies.

In addition, we leverage Robeco's global presence. We collaborate with investment professionals in Robeco's local offices (such as London, Hong Kong and Singapore) on several engagement cases, leveraging local language capabilities. The local investment professionals work as liaisons and door openers. This local market insight and presence improves our engagement success in local and emerging markets.

The Active Ownership team is part of Robeco's Investment domain, and works closely together with investment teams and the other members of Robeco's SI Center of Expertise, who contribute significantly with their expertise to the voting and engagement approach. Robeco's Sustainable Investing Center of Expertise delivers sustainable investing expertise and insights to the investment teams, our clients and the broader market. This includes a special focus on climate change, the Sustainable Development Goals (SDGs), biodiversity and human rights.

Comprising of more than 50 sustainable investing professionals, the SI Center of Expertise consists of four pillars:
1. Sustainable Investing Thought Leadership
2. Sustainability Investing Research
3. Active Ownership
4. Sustainable Investing Client Portfolio Management

The Active Ownership team works closely together with the 200+ member of our investment teams and the other members of Robeco's SI Center of Expertise, who contribute significantly with their expertise to the voting and engagement approach.

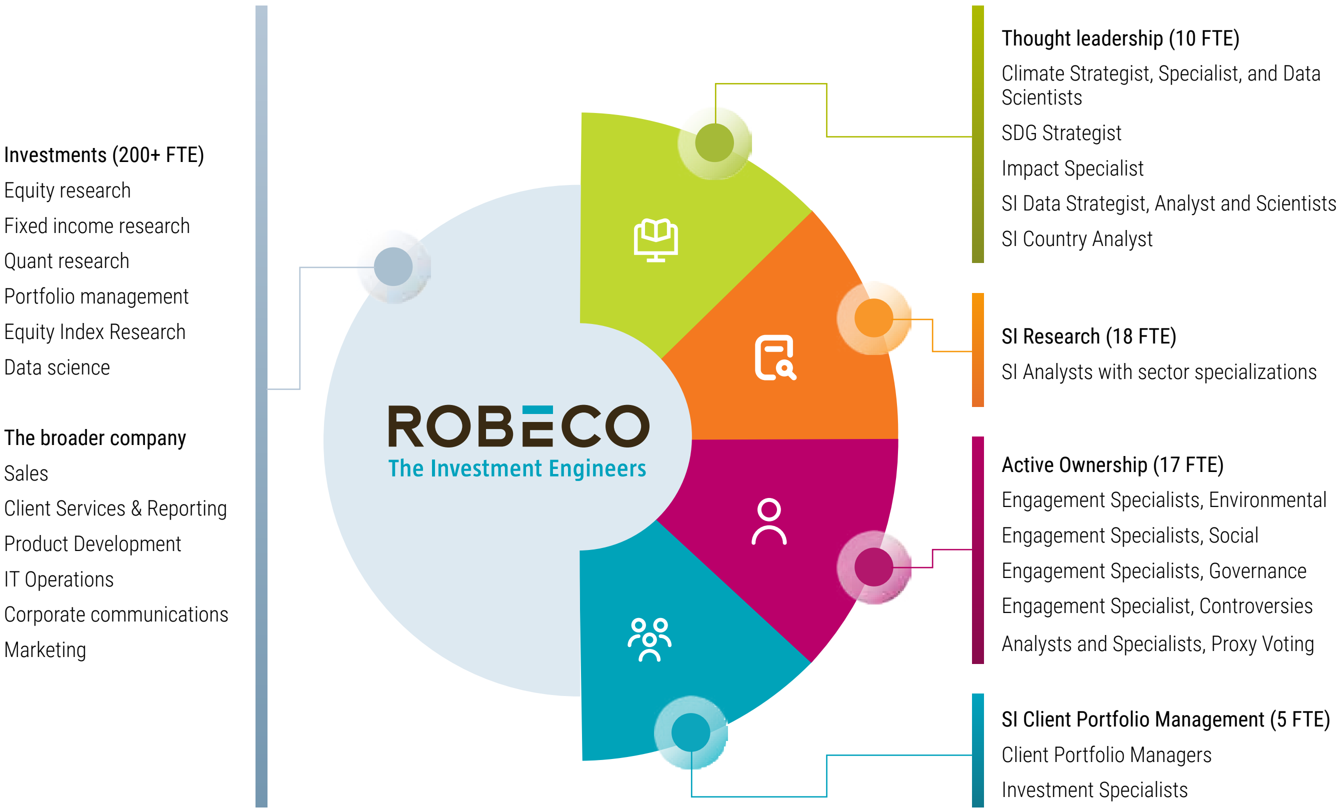
Robeco's investment teams are consulted in our annual engagement theme selection process, ensuring that the engagement approach is relevant to their portfolios. They provide input for the analysis of engagement cases, adding to the quality and depth of the engagement process, and the investment teams are invited to and informed of ongoing engagement activities and progress. This ensures they have the most up-to-date information on the status of our current engagements, the information from which can subsequently be factored into investment cases to make better-informed decisions.

For our voting activities, the investment teams are consulted on relevant agenda items before we cast our vote, next to reaching out to the SI Thought Leadership team, engagement specialists and/or SI Research analyst.

Governance

Different parts of the organization have varying responsibilities in executing and overseeing Robeco's sustainable investing and stewardship efforts. The responsibility for sustainable investing is allocated to the most senior level within the Investment department at Robeco. The CIO is ultimately responsible for sustainable investing, and is a member of the Executive Committee (ExCo). The ExCo has overall responsibility for defining Robeco's sustainability approach, including company-wide values, policies, initiatives and actions. Robeco's Supervisory Board monitors the execution of the company policy and advises the executive committee.

Figure 6 | SI Center of Expertise: Close cooperation between dedicated expert teams



Location: Rotterdam I ZurichI London I Hong Kong I Singapore.

Sustainability and Impact Strategy Committee (SISC)
The ExCo is supported in these tasks by the Sustainability and Impact Strategy Committee (SISC), which acts as a sub-committee overseeing all matters related to sustainability and sustainable investing. The SISC includes members of the ExCo as well as senior managers and sustainability specialists who oversee and drive sustainable investing across the company. This allows Robeco to coordinate sustainability matters from a company-wide perspective. The SISC has the authority to approve policies and set practical guidelines for the implementation of Robeco's sustainable investing strategy.[3]

The Committee is chaired by the Head of Sustainable Investing and consists of the CIO and Head of Marketing and Sales (ExCo members) and senior executives from investments (including the SI Center of Expertise) and the COO and CFRO domains. Additionally, seven competence groups oversee the individual core components of Robeco's sustainable investing activities (Climate, Biodiversity, Social Issues, SDGs, SI Research, Controversial Behavior, Expert Committee). Each committee is composed of senior members of the organization, including senior sustainability experts and members of our investment teams.

Significant changes to our stewardship practices and policies require approval by the SISC. Annual reviews of our stewardship commitments are also presented to and reviewed by this committee.

Feedback from clients
Feedback from clients is actively sought as part of the theme selection process. On an annual basis, Robeco selects, in close consultation with clients, new engagement themes that will be added to the engagement program. As input, we reach out to clients to receive feedback on topics that are material to them and their stakeholders.

Figure 7 | Governance of sustainable investing at Robeco

Furthermore, throughout the year, when we are in contact with our Active Ownership clients, we also collate feedback which is used to make improvements to our engagement program and overall active ownership service. One point of feedback, that we will implement in 2025, relates to providing engagement reporting on policy level.

Engagement approach
The Active Ownership team applies a balanced engagement approach and focuses on constructive dialogues. This sets us apart from other parties that might employ a more activist and confrontational approach. We focus our on the most material ESG factors and themes, selecting the most relevant companies to enable our specialists to build up close company relationships.

This method has allowed us to build long-term relationships with the companies under engagement and leads to open and fruitful discussions. From experience, we learned that a focused approach is more likely to have an impact than approaches that favor quantity over quality.

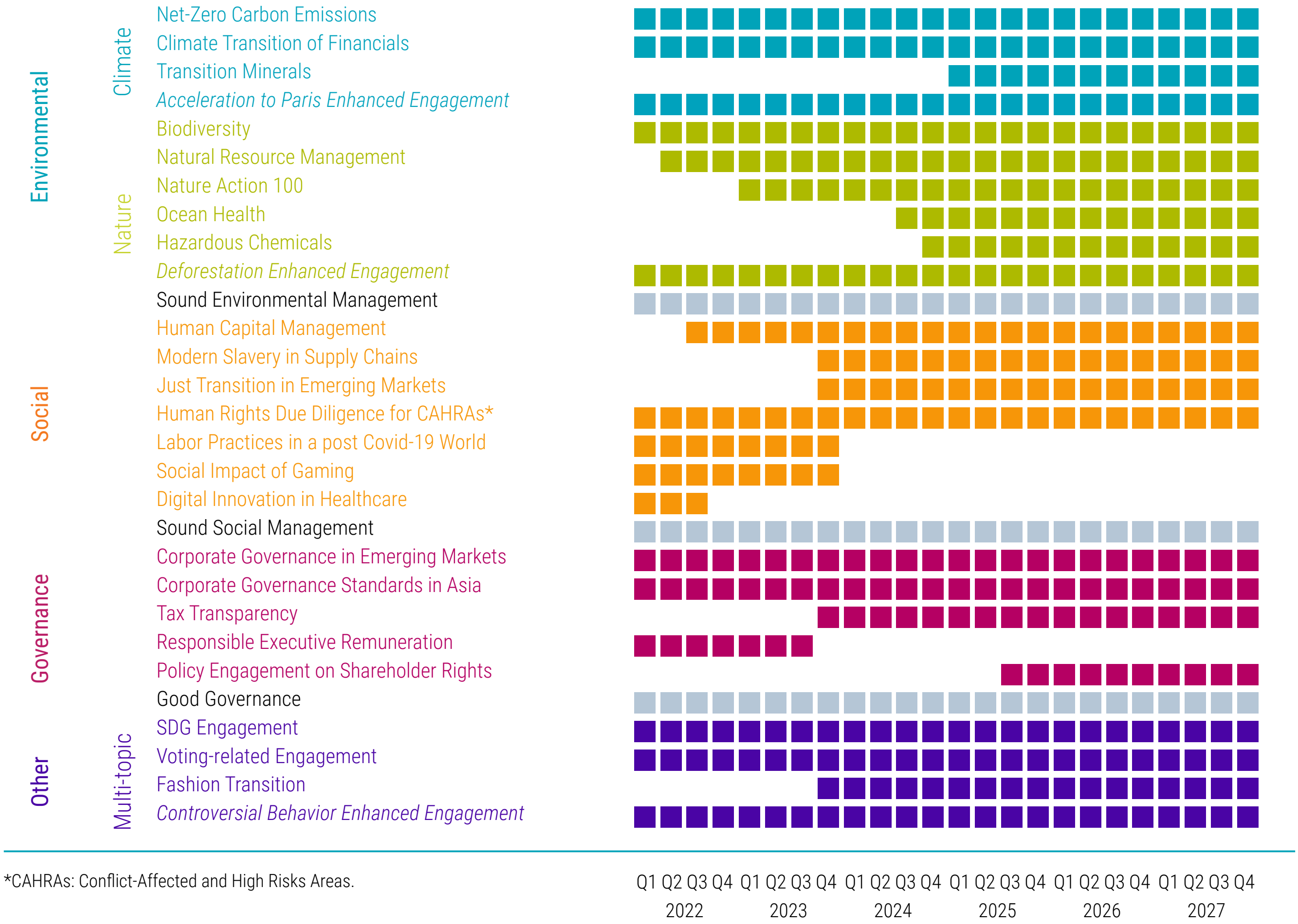
Focused, constructive dialogues with companies
We focus our engagement efforts on the most material ESG factors and themes. This means we undertake multiple interactions with a company via email, letter, phone calls, meetings or shareholder meetings per year, with the aim of changing the company's behavior. These engagements are systematic and begin with clear engagement objectives. Our SMART (Specific, Measurable, Attainable, Relevant, Time) engagement objectives are designed to focus on evidence-based, concrete engagement outcomes.
We avoid engaging with too large a universe of companies at any one time, as otherwise we cannot undertake extensive, focused and in-depth engagement with the companies with which we do engage. This method has allowed us to build long-term relationships with the companies under engagement and leads to open and fruitful discussions. On average, Robeco engages with 300 cases each year.

Three types of corporate engagement
We conduct three types of corporate engagement:

- Value engagement is a proactive approach focusing on long-term issues that are financially material and/or are causing adverse sustainability impacts. The primary objective is to create value for investors by improving sustainability conduct and corporate governance.
- Enhanced engagement focuses on companies that severely and structurally breach minimum behavioral standards in areas such as human and labor rights, the environment or business ethics. The objective is for companies to eliminate, remediate and, in the future, prevent any similar breaches, allowing for escalation if our expectations are not met.
- Portfolio engagement aims to drive a clear and measurable improvement in a company's contribution to the sustainability vision set out by the strategy in question, generally linked to one or more of the Sustainable Development Goals (SDGs). By ensuring that companies continue to reinforce their social license to operate through improved sustainability performance, the engagements aim to create value for both investors and society at large.

[3] The SISC holds bi-weekly meetings and communicates the outcomes of these meetings on a monthly basis to the ExCo, who oversees the management of impacts.

Figure 8 | Overview of Robeco's engagement program & themes



Engagement results 2024

324 Engagement Cases

301 Companies Engaged

63% Closed successfully

1,117 # Engagement Activities

Our value engagement program includes core and focus themes. Core engagement themes are ongoing themes that are aligned with our Sustainable Investing strategy, focusing on climate change, biodiversity and human rights, and ensuring that companies meet basic corporate governance expectations. Within these evergreen themes, individual three-year engagements can be initiated as needed. Our focus engagement themes, by contrast, have a defined time horizon of three years, during which we engage with a set number of companies on specific sustainability sub-topics.

Our Active Ownership team typically decides on one or two new focus engagement themes every year in close collaboration with our engagement specialists, portfolio managers, analysts and clients. For each focus theme, we prioritize engagements with around ten companies we invest in that have the highest exposure to the selected theme. Individual engagements typically run for three years, and at the end of the engagement we assess whether it was successful or unsuccessful based on the company's progress toward our predefined objectives.

For the different types of corporate engagement, we establish specific, measurable objectives. Our engagements typically run over a three-year period, during which we have regular contact with company representatives. We track progress against the engagement objectives set.

Public policy engagement

In addition to corporate engagement, Robeco also conducts sovereign engagement. Sovereign engagement is a proactive and collaborative policy engagement approach focusing on strategic and long-term sustainability issues of sovereigns we finance with sovereign debt. Governments have a pivotal role to play in creating sustainable development, as such sovereign engagement aims to create value for both sovereign and corporate investors by improving sustainable business environments within the respective countries. Sovereign engagement follow

specific focus areas, aligned with Robeco's sustainable investment strategy and are set up and executed in close consultation with our SI Country experts and global macro investment team.
Furthermore, the Active Ownership team participates in public policy work and consultations that push for wider systemic change on sustainability topics.

Transparent policy framework

The policy framework guiding Robeco's stewardship activities is publicly available via our website.[4] Our overarching Stewardship Approach and Guidelines covers our approach towards transparency in our stewardship activities, our policy for managing conflict of interests and ethical conduct, how we monitor investee companies, and the verification of our stewardship procedures and activities. The Stewardship Approach and Guidelines lives side by side with our ESG Integration Approach and Guidelines covering the processes for ESG integration in our investment strategies and positions on thematic sustainability issues, as well as internal sustainability. On an annual basis our policies are reviewed, and changes can be made based on three reasons:

- due to changes in regulations or stewardship commitments,
- based on new insights or market trends and
- to reflect current practices more accurately.

Robeco's Engagement Policy is integrated within our Stewardship Approach and Guidelines and provides further information on what we expect from investee companies, how we engage with them, and how we communicate on our progress. The Stewardship Approach and Guidelines also includes our Proxy Voting Policy, which sets out guidelines that ensure we vote in the best interests of our clients. These guidelines apply to all proxies voted on behalf of Robeco funds and the majority of discretionary mandates. For some mandates, we implement a client's own voting policy.

Key updates during the past year

Our stewardship and sustainability policy frameworks, including all individual policies on engagement, proxy voting, thematic approaches, and organizational sustainability, are subject to a formalized annual review process. This aims to evaluate whether our policies continue to meet best practices in the industry and reflect our internal processes accurately.

The Active Ownership team coordinates the review within the SI Center of Expertise, monitoring any updates to signed stewardship codes or SI-related memberships that may imply certain commitments.

In 2024, there were not material changes to our ESG Integration approach. In our public policy on ESG Integration, we have added information on the social scorecard which is under development and is expected to be launched in 2025, and on our Corporate Sustainability practices, to outline Robeco's approach to renumeration, learning & development, and diversity & inclusion.

During 2024, there were no material changes to the Engagement policy from changes to stewardship codes we signed, nor from any regulatory changes or feedback from external stakeholders, such as the FRC and the PRI. Robeco has changed some aspects regarding implementation of its voting policy, based on Robeco's own insights and client input. We will be stricter on the use of dual share classes for companies with poor governance practices, put additional focus on financial materiality, and will make more differentiation in our voting approach on remuneration, applying strict disclosure and structural policy components for companies for companies with very high pay, and a more basic set of requirements for companies with lower pay level.

The SI Center reviews trends and changes in stewardship commitments on an annual basis and proposes required updates to policies and reporting in order to meet Robeco's stewardship responsibilities. These proposals are reviewed discussed and approved in the SISC. Compliance department is informed of the results of the annual update cycle.

It is important to us that clients and other external stakeholders have an accurate view of Robeco's stewardship and sustainable investing practices. We believe these amendments have further improved their ability to understand Robeco's approaches and how they have been put into practice by providing all our stewardship-related policies in a single place. Updates in the coming year will continue to be driven by compliance with EU regulations.

Stewardship across asset classes

Robeco's Active Ownership program spans several asset classes. Our engagement approach is similar across equity and fixed income portfolios, but the approach may differ in certain circumstances. Our enhanced engagement program does not differentiate between investment styles or asset classes. For our value and portfolio engagement approach, our aim is to add value to improve the risk/return profile for our investments and/or address adverse impacts. In all cases, we take the approach of a long-term investor, either from a shareholder or a credit perspective, or both. The majority of our engagement objectives are intended to add value for a broad set of investment portfolios and stakeholders. Our focus areas for engagement as a long-term shareholder and as a bondholder are often aligned.

However, in some instances there may be a difference in focus, such as in our engagement objectives between different investment styles or asset classes. At the start of new engagement themes/projects key stakeholders are identified, which include clients and portfolio managers. Depending on the relevant stakeholders, engagements may have a specific portfolio approach. Engagements for credit portfolios are likely to be focused on downside ESG risks, whereas engagements for equity portfolios are more likely to focus on both ESG risks and opportunities, along with shareholder rights. The SI Center of Expertise is embedded in Robeco's investments domain. This integration allows both equity and fixed income portfolio managers and analysts to routinely join engagement dialogues.

[4] For more information, please refer to the sustainability policies on our website: https://www.robeco.com/en-int/sustainable-investing

Incentivizing stewardship

All employees also have a sustainability KPI. Our Sustainability and Impact Strategy Committee develops KPIs to measure how successfully we are implementing our sustainable investing strategy. The KPIs are role-specific, and can be qualitative or quantitative. They are used as a starting point to develop KPIs for different employee groups. Where relevant, sustainability risk factors form a part of the annual goals of employees so that their remuneration is linked to sustainability risk management.

For example, our investment teams are responsible for incorporating sustainability considerations into their investment analysis, and their remuneration framework features sustainability-related KPIs. All our employees furthermore have a variety of learning and development opportunities available to them. An example of online courses available to our employees is those that form part of our Sustainable Investing Academy, our internal sustainability training program. In 2024, 614 employees completed one or more of our Sustainable Investing Academy training courses. In 2024, in order to increase awareness of how to prevent greenwashing throughout the company, we launched a new anti-greenwashing e-learning module as part of the SI Academy.

Building confidence through our audit framework

Robeco's stewardship activities are audited on a regular basis. As part of Robeco's annual ISAE report, the external auditor audits our active ownership controls. During this audit, it is assessed whether these processes are robust enough to mitigate potential risks, and the effectiveness of the controls is tested.

In addition, our internal audit department is intensively involved in SI and stewardship activities due to these topics' strategic importance for Robeco. SI and stewardship themes are fixed elements of the annual internal audit plan. Internal audits are conducted on a risk-based approach through periodic departmental audits, such as on Active Ownership's voting and engagement processes, investment teams' integration of ESG factors, or Investment Restrictions' implementation of our exclusion policy.

External recognition

Robeco participates in several governance and sustainability related investor platforms such as the UN Principles for Responsible Investing (PRI), the Asian Corporate Governance Association, the Eumedion Dutch Corporate Governance Platform and many others. Several of these organizations monitor our compliance to their principles or require Robeco to report on the implementation of their active ownership principles.

The strength of our approach to sustainability is reflected in our Morningstar 'ESG leader' rating, the 'Best asset manager across Europe and Asia' Morningstar award we won in 2023 and the highest possible scores we have consistently received in our Principles for Responsible Investment (PRI) assessments. We once again received the maximum five stars for sustainable investing from the PRI in its latest assessment in December 2024, earning a score above 90% in all of the seven main categories relevant for Robeco.

Robeco's commitment to excercise its voting rights was recognized in January 2024 by ShareAction, the UK-based research group. Its latest survey assessing how 69 of the world's largest asset managers voted at company AGMs in 2023 ranked Robeco among the best for voting on shareholder resolutions addressing environmental and social issues.

In 2023, Robeco was ranked the world's leading asset manager for sustainable investing in the latest ShareAction Responsible Investment Benchmark Report, and was the only asset manager to receive an AA rating out of the 77 global firms that were assessed.

Managing conflicts of interest

Robeco's Stewardship Approach and Guidelines outlines our approach to identifying and managing conflicts of interest. The approach is based on Robeco's Conflict of Interest procedure.

Robeco's approach to identifying and mitigating (potential) conflicts of interest related to voting is applied uniformly across our client base. For example, it could be the case that Robeco has voting rights at the shareholder meeting of a company, where the pension fund is also an asset management client of Robeco's. Where such cases occurred during the year, Robeco voted in line with our standard voting policy on behalf of all of our clients, with the exception of the client where the relationship existed, and where a conflict could subsequently be perceived to exist. For these clients, we advised the client that we had identified a conflict and that we suggested not to cast any votes. In these cases, Robeco's Compliance department was also notified of the potential conflict of interest.

In 2024, in the normal course of the Active Ownership team's stewardship activities, some potential conflicts of interest were identified and managed according to the Stewardship Approach and Guidelines. These involved, for example, executing proxy votes at the AGMs of (prospective) clients or affiliates of Robeco.

For voting, we have a policy where we vote against board members due to insufficient actual disclosures on climate, biodiversity or social topics. When such a company is also related to a client, we still vote against the relevant board members, and involve our sales department in the communication of such votes.
In order to ensure ethical conduct in our engagement with companies, Robeco also follows a clearly defined process if material non-public information is obtained. During the year 2024, we had no instances where trading restrictions had to be enforced because engagement work had resulted in obtaining non-public material information.

Our Compliance department is also consulted in the early stages where engagement dialogues might lead to the possession of non-public information, for example the filing of shareholder resolutions that could result in withdrawal agreements. There were no reported instances where this occurred during engagement activities in 2024.

Value engagement process
Our Value engagement follows a thematic approach, for which we categorize themes by their relation to Environmental, Social or Governance issues. Our value engagement activities focus on a limited number of sustainability themes that we believe have the greatest potential to create financial value for the companies we invest in and address adverse sustainability impacts.

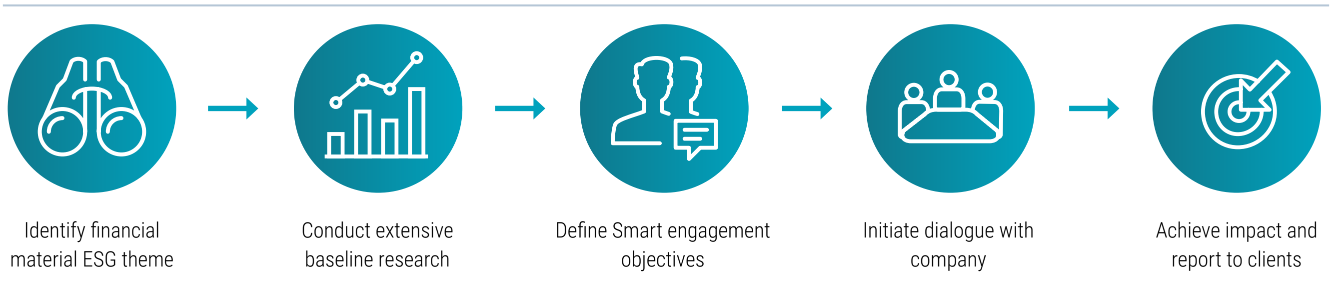
Themes typically run for a three-year period and we ensure sufficient coverage by scheduling the opening and closing of themes on a quarterly basis. All of our engagements adopt a structured approach that consists of five steps.

1. Identify financial material ESG theme
Robeco selects two to three new engagement themes every year, in close collaboration with our engagement specialists, portfolio managers, analysts and clients. For any given engagement theme, five to ten companies are selected that have the most exposure to the engagement topic. Individual engagements typically run for three years, and at the end of the engagement we assess whether it was successful or unsuccessful based on the company's progress toward our predefined objectives.

Theme selection process
Before starting a new engagement theme, we involve investment teams and institutional clients in our thought process, selection and design of engagement themes.

- Scope and coverage: As the starting point for our value engagement theme selection process, we begin with a universe of all Robeco internal and client external holdings across both equity and credit portfolios. This provides us with the long list of all potential companies which can be considered engagement candidates.
- Long list generation: Then, we determine a long list of financial materially ESG themes with the potential to affect long-term company performance. We match those themes to the most relevant sectors. The long list is created in close cooperation with Robeco's SI Research team, investment teams and clients. The SI Research team provides analysis such as SDG research, while the investment teams provide valuable insight into the long-term materiality of ESG themes, and their specific sectoral impacts. We also welcome and incorporate client input sought throughout the year. Clients are invited to share any relevant ESG topics for their organization or its stakeholders, which is taken into account when generating the long list of engagement topics.
- Client panel: Following the creation of a definitive long list, ideas are tested during a client panel, to which the client will be invited. During this event, the long list of potential engagement themes is presented, along with a high-level engagement plan. Client feedback is actively sought during the process. Based on this feedback, the long list becomes a short list.
- Definitive engagement list: As a final step, the short list is reviewed, and typically two to three final engagement themes for the year are chosen based on their financial materiality and demand by both clients and investment specialists.

Figure 9 | The five steps of engagement



- **Company coverage list**: We then select the companies for engagement based on two key factors:
  1) Each company's exposure to the engagement topic, favoring those companies with the highest exposure for the program.
  2) Overall position to be engaged upon (i.e. total number of clients invested plus size of holding), and individual client holdings.

Another means with which to ensure relevant engagement case selection is through our collaborative work with other institutional investors in joint initiatives such as Nature Action 100.

2. Conduct baseline research

Each theme is refined by conducting a baseline research on the engagement topic. This research is used to establish the starting point for individual companies, to keep the engagement focused, and to efficiently address the most material ESG factors. Robeco's investment teams, together with our SI Research team, play a key role in the research stage of our engagement themes.

The baseline research report ensures that we begin each engagement with a thorough understanding of each engaged copies sector, markets and company specific circumstances.

3. Define SMART engagement objectives

For all dialogues, we establish SMART (Specific, Measurable, Attainable, Relevant, Time-bound) engagement objectives at the start of the engagement process. This forms a key part of the engagement theme research stage and ensures that we begin engagement with a thorough understanding of the materiality of the ESG issue in question, the company's current performance on and exposure to the issue, and its baseline performance on the engagement objectives set. These objectives are shared with investee companies.

Both value and enhanced engagements typically run over a three-year period, during which we have regular contact (minimum of twice a year) with company representatives, while portfolio engagements run over a period of three to five years. Each time we are in contact with a company, we discuss the engagement objectives and assess the progress that is being made toward each of the objectives.

4. Initiate dialogue with company

Engagement usually starts by explaining our objectives to a company's Investor Relations department via email, letter or phone call, followed by conference calls or meetings with technical experts. Examples of such experts are the Head of Risk Management, Head of Sustainability, Head of Supply Chain Management and a wide variety of other operational specialists. Senior management or non-executive board members are also involved in our discussions.

In certain cases when we are not able to establish the engagement relationship with management, in these instances there are different tools institutional investors can employ to escalate an engagement, ranging from writing a letter to the board, collaborative engagement, voting instructions and/or (co)filing shareholder proposals.

5. Achieve impact and report to clients

Based on the defined engagement objectives at the start of the engagement process, and the baseline assessment of each company under engagement against these objectives, we are able to track a company's progress during the engagement period. Each time we are in contact with a company (minimum twice a year), we discuss the engagement objectives and assess the progress a company has made toward each one.

Based on the developments observed, we decide between four levels of progress, both on an objective level, and on an overall case level.

- **Negative progress**: The company receded in performance on the objective
- **Flat progress**: The company made no progress, no changes in status
- **Positive progress**: The company took a positive step toward the objective, but did not reach it yet
- **Objective reached**: The company reached the objective, and we close the engagement on the objective

When more than half of the engagement objectives have been achieved, we can close an engagement successfully. Whether we close an engagement case successfully or unsuccessfully, we share this information with the company.

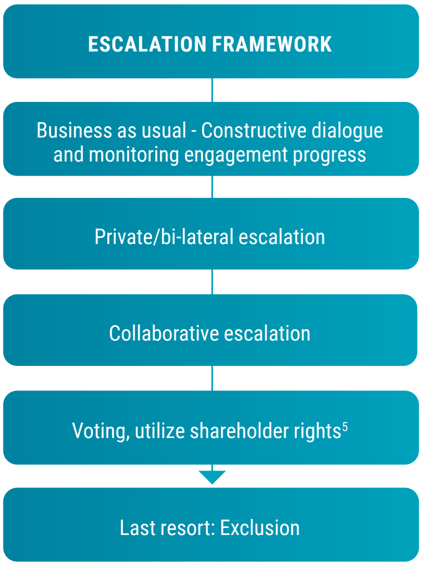
Escalation strategies

What is escalation?
As an investor, we exercise several rights for stewardship purposes. The right to vote and to engage are the preferred options, as we believe constructive dialogue with companies in which we and our clients invest is more effective than exclusion. However, in some cases escalation is necessary, meaning we are forced to intensify our engagement activities, following an insufficient progress or response to concerns raised.

What are some of our escalation strategies?
In all of our engagements, a lack of responsiveness or progress by the company can be addressed by seeking collective engagement, attending a shareholder meeting in person, or sharing written concerns with the board. This can also lead to adverse proxy voting instructions on related agenda items at a shareholder meeting. We might also use the (co) filing of shareholder proposals as a form of escalation, but this is always done in close discussion with the investee companies.

An additional escalation measure is added to our enhanced engagement program. If enhanced engagement does not lead to the desired change, Robeco or our clients can decide to exclude a company from its investment universe. Robeco considers exclusions from the investment universe to be an action of the last resort, applicable only after engagement – our first and preferred option – has been undertaken. Read more about our exclusions on page 45.

Figure 10 | Robeco's escalation framework



*Applying Robeco's climate, biodiversity, social issues voting policy

Transparency toward our clients and the wider public

Transparency is a key element of Robeco's Active Ownership activities. Robeco's sustainable investing efforts, including engagement status updates, are reported publicly on a quarterly and annual basis.

Depending on each client's individual requirements, Robeco shares a wide variety of stewardship-related reporting. This includes reports featuring statistics and highlights, which can be publicly shared with clients' individual beneficiaries. We also provide more detailed reporting on individual engagement cases on a confidential basis. With this information, we support our clients in fulfilling their stewardship disclosure requirements through various channels.

Enhanced engagement process

Our enhanced engagement program acts to address the misconduct of companies related to human rights, labor, the environment and corruption. If a company does not improve its practices during our engagement, our Controversial Behavior Committee can decide to exclude it from our investment universe. We re-evaluate the practices of excluded companies at least once a year and only reinstate them if they have made significant improvements. The process for enhanced engagement theme selection is a formal part of our Exclusion Policy.

- Global Controversy/UN Global Compact breaches: These engagements focus on companies that severely and structurally breach minimum behavioral standards outlined in the United Nations Universal Declaration of Human Rights, the International Labor Organization's labor standards, the United Nations Guiding Principles for Business and Human Rights, the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. If a company does not improve its practices during our engagement, it could become a candidate for exclusion from our investment universe.
- Acceleration to Paris: These engagements focus on companies that are lagging in terms of aligning with the Paris Agreement to keep the rise in the average global temperature well below 2°C/1.5°C above pre-industrial levels. It also focuses on the largest emitters in our investment universe, with the aim of helping them ramp up their decarbonization efforts and set up robust transition plans. Failure to make progress will be regarded as a breach of global standards, with exclusion from our investable universe as a potential consequence.
- Palm oil/deforestation enhanced engagement: These engagements contribute to the establishment of a sustainable palm oil industry. The desired outcome is for companies that we engage with to reach 80% Roundtable on Sustainable Palm Oil land certification by the end of 2024. If a company does not achieve this goal, we will add it to our exclusion list.

In 2025, we will expand this enhanced engagement program to cover also other deforestation-linked commodities, such as soy, beef and leather, pulp and paper.

Portfolio engagement process

Our engagement investment strategies invest money and engagement time in companies with the potential to become tomorrow's sustainability leaders. Our portfolio engagement targets the majority of the companies in our engagement investment strategies and aim to drive a clear and measurable improvement in companies' contributions to the investment strategy's sustainability aims. The engagements take a holistic approach to sustainability, often focusing on companies' contributions to one or more of the UN SDGs. By strengthening companies' social license to operate, focusing on sustainable solutions and operational models, the engagements aim to create value for both investors and society at large.

Our three current portfolio engagement programs are as follows:

- Sustainable Development Goals (SDGs): Launched in 2021, we engage with all of the companies that the Robeco Global SDG Engagement Equities* strategy invests in. The engagements aim to increase companies' positive contributions to the SDGs, using Robeco's proprietary SDG framework as a starting point to identify and engage on key impact opportunities.
- Biodiversity: Launched in 2022, these engagements cover upward of 25% of the holdings in the Robeco Biodiversity Equities* strategy, helping them to move toward more sustainable use of natural resources and ecosystem services and to scale biodiversity solutions. The theme sets out our expectations about biodiversity-friendly sourcing and operational practices and explores how portfolio holdings can take meaningful steps toward halting and reversing nature loss.
- Fashion Transition: Launched at the end of 2023, the Fashion Transition theme covers all the companies that our Fashion Engagement Equities strategy invests in, helping them move to more responsible and future-proof business models. The theme sets out our expectations with respect to issues including living wage and decent work, natural resource stewardship and circular business models and aims to unlock sustainability opportunities across the fashion value chain, from sourcing to end-of-life management.

[5] Listed as RobecoSAM Global SDG Engagement Equities and RobecoSAM Biodiversity Equities, respectively, until April 2024.

Voting approach

Using our shareholder rights is an important part of our responsibility toward our clients. Proxy voting is an integral part of our sustainable investing approach. It gives us a platform to voice our opinions and vote on critical topics such as board nominations, remuneration policies, shareholder proposals, and capital management practices. In casting our votes, we assess whether internationally recognized corporate governance standards are implemented while accounting for local governance regulations.

Voting policy update 2024

Our voting policy is part of our Stewardship Approach and Guidelines and was reviewed and updated in 2024. While changes in regulation and best practices did not lead to any major changes, we made several incremental changes based on feedback from our internal stakeholders and clients.

As we see several instances of shareholder influence being under pressure, we will more strictly address the use of structures like dual share classes if companies have wider governance issues, for example by escalating a vote against board members such as the chair of the governance committee.

For remuneration we will aim to apply more granularity, and apply more of a tailored approach depending on the company's size and local practices. We also aim to incorporate more of our investment experience into pay for performance analysis.

Our voting on sustainability issues and shareholder proposals will also be slightly amended to aligned with latest insights based on our internal IP and materiality assessments.

Proxy voting policy

The basis of any well-informed proxy voting decision starts with a policy designed to ensure that we vote in the best interest of our clients. The Robeco Proxy Voting Policy forms part of our Stewardship Approach and Guidelines and is based on the widely accepted principles of the International Corporate Governance Network (ICGN), which provides a broad framework for assessing companies' corporate governance practices. The ICGN principles offer scope for companies to be assessed according to local standards, national legislation and corporate governance codes of conduct. We constantly monitor the consistency of our general voting policy with the ICGN principles, laws, governance codes and systems as well as client-specific voting policies. Our voting policy is formally reviewed at least once a year.

We take company-specific circumstances and best practices into account when casting our vote. Through our votes, we aim to encourage companies to implement good corporate governance, foster long-term shareholder value, and engage in responsible behavior. In the interests of transparency, we also make our voting guidelines publicly available. These can be found at https://www.robeco.com/files/docm/docu-robeco-stewardship-policy.pdf

Over the last couple of years, we have enhanced our voting policy on topics such as climate change, biodiversity and social matters. We use voting power as an escalation strategy when companies do not meet our expectations on climate change, biodiversity or social matters, targeting management resolutions primarily related to the nomination of the chair of the board and other relevant directors.

The use of proxy voting advisors

Robeco's voting analysts work with our voting research and infrastructure provider Glass Lewis to combine our expertise, thereby gaining a better service than what would be available from off-the-shelf voting platforms. This kind of customization is more closely aligned with our voting policy and our approach.

However, we review meetings and often override the external advice if it does not sufficiently meet our interpretation of governance, sustainability or investment issues. These differences are carefully tracked and communicated with our voting advisor. We review the research, technical set-up and voting advice on a regular basis, which are subject to our risk control framework.

Voting process

Robeco follows a process that assigns different levels of priority for every single shareholder meeting. By applying different filters, we can identify voting resolutions that require more extensive analysis, such as M&A issues, shareholder proposals, companies under engagement, companies flagged by investment teams, and companies where we have previously voted against.

Hence, we focus our activities on those shareholder meetings where there are either high impact and/or hard-to-automate agenda items. In these cases, a member of Robeco's voting team reviews the meeting, to provide additional analysis.

Research phase

We purchase research from leading corporate governance providers for every meeting. This provides us with the background of every agenda item, and serves as the starting point for our analysis.

Voting analysis

- Input from publications: Based on our extensive screening of important agenda items, the voting analyst reviews all relevant material such as sustainability reports, annual report and news items.
- Input from equity/credits analysts and portfolio managers: In case of high-profile cases, such as mergers and acquisitions, significant holdings, companies under engagement, and other special instances, we gather input from Robeco research analysts and portfolio managers. The voting instructions for all fundamental equity positions are communicated to the relevant portfolio management and analysts teams on a weekly basis via an

automated email, to ensure integration between the Active Ownership and portfolio management teams, and to allow for portfolio management's extensive knowledge on their holdings to be factored into the voting analysis.
- Input engagement specialists: In case the company is under engagement, we discuss the agenda with the engagement specialist responsible for the case.
- Input sustainability research: We can also review cases with our specialized sustainability researchers.
- For specific agenda items, such as remuneration, board composition and shareholder proposals, we use proprietary assessment frameworks to guide our voting instructions.

Vote instruction
- The voting decision is made on an electronic voting platform, in line with clients voting policy, using the data gathered in the previous steps, to ensure a fully formed vote decision.

Voting execution
- Robeco carries out all proxy voting in-house. There are several practical elements that need to be considered in the implementation of our voting policy. These include monitoring our voting rights, and the potential implications of securities lending, share blocking, and custom voting policies, among others.

Monitoring voting rights
The proxy voting process can be relatively opaque and requires systematic supervision. One element that Robeco and Glass Lewis monitor proactively is whether we have received voting ballots for all shareholder meetings where we are entitled to vote. This is a cornerstone of good stewardship for equity assets and requires coordination among various parties in the proxy voting chain, such as custodians and ballot distributors. If necessary, we escalate the matter to ensure we are able to exercise our right to vote.

Pre-disclosure of voting intentions

We started pre-disclosing our votes during the 2024 voting season, as explained in this article: https://www.robeco.com/en-int/insights/2024/04/voting-to-support-the-climate-transition

We used the PRI platform to pre-disclose. This information, however, becomes no longer accessible when the AGM is over, given the pre-disclosure drops off. However, our own vote instructions remain publicly available on our website.

Securities lending
Robeco has a securities lending program for several of our listed mutual funds. When shares are on loan, we are unable to exercise our voting rights for those shares. A daily process confirms whether any shares are on loan ahead of an upcoming AGM, and recalls the full position on loan to allow voting to take place.

Share blocking
Another impediment to voting can be share blocking, where securities are blocked from trading after sending a vote instruction. This can have implications for fund performance and may therefore not be in the best interests of the beneficial owner. As a result, Robeco only votes proxies in share-blocking markets when the agenda contains a controversial item and/or our position could have a significant impact on the voting result. We rarely refrained from voting due to share blocking in 2024, casting our vote in nearly 99% of cases.

Client voting policies
Robeco has a single main voting policy for all its public funds. For all Robeco funds that are subject to voting, Robeco's voting policy applies. For most segregated mandates, this policy is also applied unless specific arrangements with clients are made. In those cases, we apply custom voting policies for some clients in segregated mandates or for externally managed assets. There, clients may override our voting decision under their own policy. Clients who have applied the Robeco Proxy Voting Policy may also highlight specific shareholder meetings where their voting preference differs from ours. We will accommodate such client-directed voting for segregated mandates, but Robeco makes all voting decisions for pooled funds in-house, in line with the Robeco voting policy.

Communicating our voting behavior to investee companies
All of our voting instructions for Robeco funds can be found online.[6] We publicly disclose our voting rationales for when we vote against management recommendations on the agenda. When voting against management, we will inform the company with an invitation to reach out in case of any questions.

This process applies to companies that are in the engagement program, for which we have over 1% of the outstanding capital, that are part of our 'vote against management (VAM) assessment[7] and in specific key markets.

[6] https://www.robeco.com/en-int/sustainable-investing/influence/proxy-voting-record

[7] As not all AGMs include such proposals on climate, biodiversity or human rights, Robeco developed another way to integrate these considerations in our voting approach. Investee companies that fail to meet our expectations on climate, biodiversity or human rights are targeted for a vote against the most appropriate agenda items for the companies involved. These companies are informed of our vote intentions and rationales.

Focus area: Climate

As a responsible steward of our clients' assets, Robeco is committed to achieving net-zero greenhouse gas emissions across its total client assets by 2050. The transition to a low-carbon economy is creating substantial investment opportunities. To capture these opportunities, in 2024 we continued to expand our range of investment strategies that enable our clients to invest in the transition toward a net-zero economy, as well as expand our climate voting and engagement program.

2024 was the hottest year on record, following an exceptionally warm 2023. On average 1.6°C warmer than the pre-industrial level, 2024 was the first year to exceed the threshold set by the Paris Agreement to significantly reduce the risks and impacts of climate change. Record air and sea surface temperatures contributed to extreme events, including floods, heatwaves and wildfires in 2024.

Our net-zero roadmap acknowledges that climate change involves significant material impacts on, risks to and opportunities for our investments. Carbon emissions from the companies we invest in can contribute to climate change and also represent financial risks to our clients' portfolios.

SI Debate - Staying on course toward net zero

Since December 2024, there has been an exodus of North American banks and asset managers from net-zero alliances. In response, the Net Zero Asset Managers Initiative (NZAM) announced a temporary suspension, while undertaking a review to ensure that the initiative "remains fit for purpose in the new global context". Investors are now asking themselves what else is coming and where things are going. Our view is that the financial industry is still committed to net zero, but with increased policy uncertainty in the short term.

In our SI Debate column, we highlight the need for government action to support the transition. Investors are adapting their strategies, focusing on transition finance and forward-looking climate analytics. The imperative for climate action is growing, with global temperatures rising and the physical impacts of climate change becoming more evident.

At Robeco we continue to be committed to carefully navigating the net-zero transition, managing both risks and opportunities, to the benefit of our clients and long-term value creation

Read more: https://www.robeco.com/en-int/insights/2025/02/si-debate-staying-on-course-toward-net-zero

Working in partnership with our clients, Robeco aspires to take a leading role in the move toward a net-zero economy. We firmly believe that doing so will lead to opportunities to enhance the long-term risk-adjusted returns of our clients' portfolios. Robeco supports the objectives of the Paris Agreement and we are a founding signatory of the Net-Zero Asset Managers Initiative. Based on these commitments we have set out clear policies and a roadmap for reducing the greenhouse gas emissions associated with both our investment portfolios and our own operations. We also endorse the Dutch National Climate Agreement and the recommendations of the Task Force on Climate-related Financial Disclosures.

Committed to achieve net-zero

Our net-zero strategy focuses on reducing emissions in the real economy. Divesting from high-carbon assets does not mean that they go away – they simply reappear in other portfolios. For the net-zero transition to be successful, we need to decarbonize high-emission sectors. This will require considerable capital. We believe our role as an investor is to accelerate the transition by decarbonizing the assets that we invest in. To do so effectively, we need to work alongside governments, companies and consumers. Governments need to facilitate and promote carbon reduction, companies need to increase their green capital expenditure and consumers need to shift to sustainable consumption patterns.

Implementation in investment strategies

We believe that systematically considering climate change in our investment processes for companies in high impact sectors is essential for the future success of our investment strategies.

In 2024 we continued our research program on sector-level decarbonization pathways. As part of this research, we analyzed how sectors need to decarbonize to stay within the 2°C carbon budget and identified the necessary technologies and policies. We went on to analyze how individual companies are performing against their sector benchmark, considering both their current carbon emissions and their forward-looking transition plan. Our analysts use this knowledge to assess the financial implications for each company, taking into account factors such as capital expenditure and carbon pricing. Our sector pathway now covers around 80% of our investment universe. Based on this research, we have developed proprietary forward-looking climate indicators that we can use in our investment strategies. These include our Climate Traffic Light, which measures the alignment of a company's targets with the Paris Agreement and the credibility of these targets.

Working with clients

We offer our clients a broad range of climate-oriented investment strategies. As part of Robeco's net-zero strategy we introduced a new range of funds focused on investing in the climate transition in 2024. Although climate considerations have long been a priority in our client discussions, this year we launched a new program specifically designed to engage bespoke mandate clients in a dialogue about their climate objectives and explore how Robeco can support them on their journey. We will also help clients who invest with us via mandates to achieve their individual decarbonization goals, and continue these client discussions in 2025 and the coming years.

Climate collaborations

To achieve a net-zero economy, global markets need to price carbon emissions and climate risks into the value of goods, services and assets. Robeco works in partnership with asset owners, other asset managers, standard-setters, policymakers and academics in support of this outcome.

Our collaborations in 2024 included:

- Advancing the collaboration with French asset manager Mirova and ten other investors to set up an industry standard and database for measuring avoided emissions from investments in climate solutions.[8]
- Participating in various working groups

[8] https://www.robeco.com/en-int/media/press-release/launch-of-the-avoided-emissions-platform-aep-to-harmonize-the-assessment-of-climate-solutions-impact

of the Institutional Investor Group on Climate Change (IIGCC) to develop guidance and solutions for investors on, for example, climate solutions and Scope 3 emissions.[9]
- Participating in the strategic advisory committee of the Transition Pathway Initiative to develop decarbonization benchmarks and data for investors.
- Working with the Dutch Financial Sector Commission on implementing the Dutch Climate Agreement.[10]

Climate stewardship
Our climate engagement program aims to capitalize on our influence as an investor to help accelerate climate action from companies and countries. Our climate engagements with companies focus on high emitters that are lagging in the energy transition. For some of these companies, divestment may be the ultimate consequence if our engagements prove unsuccessful. We include banks in our climate engagement program to engage with the funding sources for projects (such as new oil fields) that generate emissions as well as directly involved companies.

Our proprietary Climate Traffic Light model helps us identify companies that represent priorities for engagement. In 2024, we engaged with 80 companies on the topic of climate change, up from 54 in 2023. These are companies in high-emitting sectors that we prioritized based on factors including their traffic light score and our investment exposure to them. In 2024, we concluded our climate engagements with seven companies. Five made sufficient progress, one was placed in our enhanced engagement program (putting it at risk of divestment) and one failed to meet our minimum expectations so we added it to our exclusion list.

Robeco participates in collaborative engagements whenever possible, which is deemed to be of added value. In 2024 we took part in collaborative engagements at over 20 of the Climate Action 100+ Initiative's focus companies, either as a lead or a contributing investor. Climate-related considerations are also included in our voting guidelines and exclusion policy.

Figure 11 | Collaborative engagement cases with the Climate Action 100+ Initiative

Company name	Engagement theme	Role
Berkshire Hathaway	Acceleration to Paris	Lead engager
Caterpillar, Inc.	Acceleration to Paris	Contributor
Anglo American	Net Zero Carbon Emissions	Lead engager
BHP Billiton	Net Zero Carbon Emissions	Lead engager
BP	Net Zero Carbon Emissions	Contributor
CEZ as	Net Zero Carbon Emissions	Lead engager
Chevron	Net Zero Carbon Emissions	Contributor
Cummins Inc	Net Zero Carbon Emissions	Contributor
Ecopetrol SA	Net Zero Carbon Emissions	Lead engager
Engie SA	Net Zero Carbon Emissions	Contributor
ExxonMobil	Net Zero Carbon Emissions	Contributor
Holcim	Net Zero Carbon Emissions	Contributor
Marathon Petroleum Corp.	Net Zero Carbon Emissions	Lead engager
Petroleo Brasileiro	Net Zero Carbon Emissions	Lead engager
Phillips 66	Net Zero Carbon Emissions	Lead engager
Royal Dutch Shell	Net Zero Carbon Emissions	Contributor
Saudi Arabian Oil Co.	Net Zero Carbon Emissions	Contributor
Valero Energy Corp.	Net Zero Carbon Emissions	Lead engager
LyondellBasell Industries NV	SDG Engagement	Lead engager
Rio Tinto	SDG Engagement	Lead engager
TotalEnergies	SDG Engagement	Lead engager

Source: Robeco, as at 31 December 2024.

Climate-related engagement themes
During 2024, we increased our climate engagement cases across the following themes:
- Net-zero carbon emissions
- Acceleration to Paris
- Climate and nature transitions of financials
- Sovereign engagement

Below we provide an update of the Acceleration to Paris and Climate and nature transition of financials themes.

Acceleration to Paris
Our engagement program focuses on decarbonizing those sectors most exposed to the energy transition. These companies have been selected based on their overall emissions footprint as well as the maturity of their climate strategies. By selecting those companies that are furthest behind, we aim to optimize the potential for improvement over the given engagement program timeline. For companies that are not progressing toward our minimum standard, divestment may be the ultimate consequence if our engagement is unsuccessful.

In December 2021, we initiated engagement with a set of companies that were developing new coal power plants, based on the Global Coal Exit List created by Urgewald, a German environmental campaign group.[11] In 2024, the majority of engagements were concluded, with five out of six cases closed successfully. During our engagement, one company

[9] https://www.iigcc.org/
[10] https://www.government.nl/documents/reports/2019/06/28/climate-agreement#%3A~%3Atext%3DIt%20is%20an%20agreement%20between%20many%20organisations%20and%2Cby%2049%25%20by%202030%20compared%20to%201990%20levels%20
[11] Robeco's Exclusion Policy on coal includes coal power expansion plants (≥ 30 MW, pro-rated). Some companies may be subject to engagement before exclusion.

shelved the new project after failing to secure financing, but the remaining companies' projects were in an advanced stage of construction.

Throughout 2024, we defined a clear set of minimum climate expectations that high emitters must meet, and initiated engagement with a new set of companies failing these criteria.

These criteria will be used going forward in our selection process of new climate enhanced engagement cases to be launched under the Acceleration to Paris theme. The expectations are:
1. Disclosing GHG emissions data, at least Scope 1 and 2.
2. Having GHG emissions reduction targets, at least in Scope 1 and 2.
3. Having methane emissions reduction targets for companies with upstream oil and gas activities.
4. Having a coal phase-out plan or at least a net-zero commitment for owners of coal power generation >300MW.

Failure to meeting these minimum standards will result in exclusion from Robeco's investable universe. The deadline for developed markets companies is the end of 2026; for emerging markets companies the deadline is the end of 2028, recognizing that emerging markets have different decarbonization pathways compared to developed markets.

For more information, please refer to Robeco's Active Ownership report Q4 2024: https://www.robeco.com/en-int/insights/2024/01/ocean-health-engagement-leads-q4-active-ownership-report

CASE STUDY

Sumitomo Corporation

Sumitomo Corporation is a Japanese conglomerate that operates various business units: metal products; transportation and construction systems; environment and infrastructure; media, ICT, and lifestyle goods and services; mineral resources, energy, chemical and electronics.

Reason to engage

Sumitomo is an example of how companies can reduce their coal power generation. We engaged with the company between 2021 and 2024 where we called on the company to adopt a coal phase-out plan.

Engagement efforts and outcomes

The Japanese firm has committed to stop investing in thermal coal projects. The final project they were involved in is the Van Fung power station in Vietnam, which was completed in December 2023. Sumitomo withdrew from several coal-fired power station projects in Bangladesh in 2022. The company has a plan for phasing out its thermal coal assets by the late 2040s, with intermediate targets to reduce coal power generation capacity by 60% by 2035 (from 5.4GW to ~2GW).

Another noteworthy feature of the decarbonization strategy is the use of agreements with national governments to co-create low-carbon energy infrastructure. Sumitomo has reached an agreement with Indonesia's state-owned power company to accelerate renewable deployment and early retirement of coal. While it is in the early stages of implementation, the agreement has high potential for positive impact in Indonesia, which relies heavily on coal.

CASE STUDY

BNP Paribas

Based in France, BNP Paribas is the second largest bank in Europe by assets. Its activities are divided into two main brackets: retail banking and services and corporate institutional banking.

Reason to engage

BNP Paribas is one of the most advanced banks in terms of climate governance, having committed itself to an ambitious plan for withdrawing from financing coal and other fossil fuels. BNP had already stopped oil project financing in 2016, and then in 2017, ceased all new financing of coal-fired power plant projects. The bank expects to fully exit from thermal coal in EU and OECD countries by 2030, as well as achieve an 80% reduction in its existing financing for oil exploration and production.

Engagement efforts and outcomes

In line with the asks under our solid dialogue with the bank, both individually and through the collaborative engagement group via the Institutional Investors Group on Climate Change (IIGCC), the bank strengthened its efforts further in 2023 by no longer providing financing dedicated to the development of new oil and gas fields. Furthermore, BNP has obtained positive climate scores under our proprietary Paris Alignment framework and thus we closed our engagement with the company successfully.

Climate and nature transition of financials

Our engagement with financial institutions on the impact of their activities on climate change started in 2021. After three years of dialogue, our engagement broadened to include biodiversity in 2024 as we recognize that climate targets cannot be achieved without protecting and restoring nature. We have set four overarching engagement objectives based on the Taskforce for Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures. Biodiversity is still a relatively new topic for many financial institutions, so our engagements made limited progress during the year.

Climate voting

We use voting power as an escalation strategy when companies do not meet our expectations on climate change. We base this judgment on our traffic light model and external benchmarks, including the Climate Action 100+ Initiative's net-zero benchmark, the Transition Pathway Initiative and Urgewald's Coal Exit List. In 2024 we voted against management recommendations at over 130 shareholder meetings due to our concerns about these companies' climate change performance. The management resolutions relate primarily to the nomination of the chair of the board and other relevant directors.

Throughout 2024 companies continued to put their climate transition plans up for vote at annual general meetings. We voted against 57% of the plans put to vote. We expect management resolutions to include greenhouse gas emission reduction targets that are aligned with the Paris Agreement goals, covering all material scopes of emissions, and a decarbonization strategy setting out how the targets will be met. In particular, we did not support plans with significant gaps in their emission reduction targets, such as the emissions they cover, or that lacked credible decarbonization strategies.

We also use our voting rights to support shareholder proposals that help address risks linked to climate change. In 2024 we supported 69.9% of climate-related shareholder resolutions. We assess shareholder resolutions based on their merit. In general, we support resolutions requesting enhanced climate-related disclosures or risk management and the setting of targets in line with the goals of the Paris Agreement.

Update on engagement with the Australian government

Robeco is involved in collaborative investor dialogues with Australia, coordinated by the PRI-led Collaborative Sovereign Engagement on Climate Change.[12] Robeco has been engaging with Australia on climate change since 2022.

As a part of the Paris Agreement, each country must submit emissions reduction targets known as Nationally Determined Contributions (NDCs). With Australia's second NDCs being due for publication in 2025, the country is approaching an important milestone, driving the agenda of our engagement.

Throughout 2023 we held 36 meetings with Australian federal, state and regulatory agencies involved in climate policy decision-making. This created a strong base for our second round of meetings in 2024, with our main objective being to contribute to the National Defined Contribution (NDC) climate policy-setting process that the Australian government is undertaking. In August, we visited Parliament House in Canberra to meet ministers, including the Treasurer for Australia, the Minister for Climate Change and Energy, and other climate policy advisors. We discussed the NDC target-setting process for 2035, as part of which countries need to pledge a new target ahead of COP30 in Brazil in 2025.

During our meeting with the Treasurer, we explained that we evaluate the progress of sovereign engagements based on a number of factors. These include the transparency of the government's actions in its green bond impact reporting and budget publications, the design of its climate policy interventions and, above all, the whole-of-government policy integration that leads to clear target-setting.

We emphasized the need for an ambitious NDC target. The Treasurer confirmed that over the past two years, much effort had been made to organize the various government departments to help achieve policy coordination on climate change. He also stated that the Treasury is assuming a leadership role in this process as it is important to deliver a budget that underpins all climate policies. The Treasury taking the lead is a strong sign of whole-of-government coordination, one of our most important engagement objectives, for which we see clear progress in Australia.

For more information, please refer to Robeco's Active Ownership report Q3 2024: https://www.robeco.com/en-int/insights/2024/10/forever-and-a-day-phasing-out-dangerous-chemicals

Public policy engagement on climate change

Robeco also calls on governments to fulfill their vital roles in the transition toward net-zero. Governments are in the unique position of being able to steer the behavior of companies and consumers through their legislative power, and they also have a duty to protect their citizens from the adverse effects of climate change.

In 2024, we were involved in two climate-related policy engagement activities. First, we signed a joint-investor letter to the Bank of England that called for the promotion of regulatory capital requirements for banks that reflect climate risks and that support the long-term resilience of the financial industry. Second, we supported the Investor Agenda's 2024 Global Investor Statement to Governments on the Climate Crisis, which calls on governments to adopt the climate policies needed to achieve the goals of the Paris Agreement.

[12] The Collaborative Sovereign Engagement on Climate Change is a pilot Principles for Responsible Investment (PRI)-led investor initiative to help governments to act on climate change. The engagement with Australia consisted of 25 international investors that were collectively responsible for USD 8 trillion of assets under management as at May 2024.

Focus area: Nature

Biodiversity is part of our ESG integration process when it is a financially material topic. Through engagement and stewardship, we have been addressing drivers of nature loss, such as plastic pollution, resource overuse, and commodity-driven deforestation by engaging with and voting on companies with exposure to these drivers in their value chains.

The nature risks that we are exposed to through the companies we invest in reflect the systemic risks in the global economy. Effective mitigation of these risks requires a global transition toward a nature-positive economy. As such, Robeco supports the global efforts to halt and reverse nature loss by 2030, in line with the Kunming-Montreal Global Biodiversity Framework. The companies we invest in need to reduce their negative impacts on nature and transition toward nature-positive business models. Governments need to steer this transition through policies and regulations that both stimulate and enforce nature-related actions. As investors, we assess how our invested companies and countries manage their approach to the nature transition. We use these insights to guide our investment decisions, develop investment solutions and policies, engage with companies and countries, and exercise our shareholder influence and voting rights.

Committed to protect and restore biodiversity

We have made a number of commitments to nature in recent years. For example, in 2024 we became one of the early adopters of the TNFD Framework, and we expect companies to use it in their disclosures, as we do ourselves. In 2021, we signed the Financial Sector Commitment on Eliminating Commodity-Driven Deforestation, as part of which we committed to work toward eliminating the agricultural deforestation risks the companies we invest in are exposed to. And Robeco became a founding signatory of the Finance for Biodiversity Pledge in 2020. By signing the pledge, we joined other financial institutions in calling for and committing to take ambitious action on biodiversity and to set targets before the end of 2024. We will disclose these targets before the end of 2025.

To oversee our progress toward our commitments, Robeco has established a Biodiversity Committee that includes representatives from several of the company's departments. The committee reports to our Sustainability and Impact Strategy Committee (SISC), which is a sub-committee delegated by the Executive Committee. The Executive Committee has overall accountability for implementing Robeco's sustainability policies. We aim to deliver on our nature goals through four main approaches: integrating nature considerations in our investment processes, nature stewardship, developing nature-related investment solutions and monitoring nature targets. We provide more details about each of these approaches later in this section.

Implementation in investment strategies

To make better-informed investment decisions on behalf of our clients, we systematically integrate financially material ESG issues, including biodiversity, in our investment processes. Our sustainable investment research includes analysis of material nature-related impacts and dependencies and how they affect business fundamentals.

In 2024, we developed a forward-looking tool called the Biodiversity Traffic Light to measure how prepared companies are for the transition to a nature-positive future. It assesses companies relative to other firms in their sector based on their current impacts on nature and their efforts to mitigate these impacts. We determine the key adverse impacts, such as pollution and change in land use, relevant to each industry based on TNFD sector guidance, and gather as much data as possible to assess those companies' impact on nature. We also consider any credible targets, commitments and initiatives that companies may have made to mitigate their impacts.

While the coverage and quality of nature data at the issuer level are low, the traffic light helps us evaluate how companies are addressing biodiversity loss and differentiate between leading and lagging companies. Experts from our biodiversity partner, World Wide Fund for Nature Netherlands (WWF-NL), have provided insightful feedback on our approach to assessing companies' impact on nature loss.

We piloted our Biodiversity Traffic Light in 2024 and it will go live in 2025. We will use it to support our investment analysis, develop new investment solutions and inform our stewardship and voting activities.

For more information: https://www.robeco.com/en-int/insights/2025/04/measuring-nature-with-the-robeco-biodiversity-traffic-light

Nature collaborations

Robeco is involved in several collaborative engagement initiatives related to nature loss.

- We have been co-chairing the steering committee of Nature Action 100 since the initiative's launch in 2023 and are involved in its technical advisory committee. We engage with eleven companies through this group, focusing on the chemicals, food, and metals and mining industries, which are major drivers of nature loss. We have seen more progress in our engagements with companies headquartered in developed markets, where the topic of nature loss has been more widely addressed through regulation and consumer demands, than with companies in emerging markets. Many of the firms from emerging markets that we have been engaging with are still in the early stages of determining the financial materiality of nature loss for their businesses.
- In 2024 we formally joined the PRI Spring Initiative, an investor collaboration focusing on companies exposed to commodities linked to deforestation in Latin America and Southeast Asia. Robeco is part of the signatory advisory committee of this initiative and we have been engaging with companies as part of this group, asking them to mitigate deforestation risks in their supply chains and adopt responsible lobbying practices.
- During the year we also joined Finance for Biodiversity's FABRIC collaborative engagement. This is relevant to our fashion transition engagement theme, which promotes a shift from linear to circular business models, responsible sourcing practices and human rights in the fashion industry. FABRIC's collaborative engagements will formally launch in 2025, specifically targeting the

textile industry and focusing on phasing out the use of fossil fuels, promoting circular business models and setting Science-Based Targets for Nature on land use and freshwater use.

Nature stewardship

Our nature engagements focus on companies in sectors that have a considerable negative impact on biodiversity. In 2024 we engaged explicitly on the topic of biodiversity loss with more than 30 companies as part of different engagement programs. We also discussed biodiversity with 50 other companies, even though the topic was not one of the main focuses of our engagements with those firms. Biodiversity-related considerations are also included in our voting guidelines and exclusion policy.

During 2025, we will initiate an enhanced engagement program focusing on companies that are directly exposed to agricultural commodities that pose a risk of deforestation but lack a robust approach to manage this risk. We also intend to launch an engagement theme focusing on transition minerals such as nickel and cobalt, targeting the biodiversity issues linked to these minerals' value chains. We will also expand our engagement approach on water and waste management as part of our broader nature targets.

Nature-related engagement themes

We launched two new engagement programs related to biodiversity in 2024, 'Hazardous chemicals' and 'Ocean health', expected to span three years. We continued our dialogues with companies on the topics of:

- Biodiversity
- Climate and nature transitions of financials
- Natural resource management
- Nature Action 100
- Palm oil
- Sovereign engagement

Below we discuss the newly launched themes, natural resource management and palm oil engagement themes.

Nature transition pathway for the seafood industry

In 2024, we collaborated with WWF to develop a 'Nature Transition Pathway for Seafood' to help companies involved in seafood have a more positive impact on nature. To create the framework, we made use of WWF's expertise on sustainable fisheries, aquaculture and blue finance. The framework leans on guidance from the science-based targets network, Taskforce for Nature-related Financial Disclosures and the World Benchmarking Alliance. We will use the first version of the pathway to guide our engagements with companies, but it will evolve over time to reflect the latest scientific guidance and corporate realities.

New themes 2024: Hazardous chemicals and Ocean health

Our 'Hazardous chemicals' engagement program targets chemicals companies that produce or use per- and polyfluoroalkyl substances (PFAS), so-called 'forever chemicals' that do not break down and have been linked with a range of harmful effects on human health. Through our engagements we request companies to reduce the hazardous nature and persistent chemical footprint of their products, and ideally phase them out entirely from the production process.

For more information, please refer to Robeco's Active Ownership report Q3 2024: https://www.robeco.com/en-int/insights/2024/10/forever-and-a-day-phasing-out-dangerous-chemicals

Via our 'Ocean health' program, we engage with firms involved in seafood harvesting, shipping, and cruise lines, asking them to consider how they can manage both their impacts and dependencies on marine health. It also explores opportunities in the transition toward business models that are nature-neutral and even restorative value creation models.

For more information, please refer to Robeco's Active Ownership report Q4 2024: https://www.robeco.com/en-int/insights/2024/01/ocean-health-engagement-leads-q4-active-ownership-report

We also co-signed a joint statement with other investors calling for third-party data providers to provide enhanced ESG data on ocean-related risks to encourage greater investment in ocean health.

Natural resource management

In 2024 we continued our Natural Resource Management engagement program, which focuses on responsibly managing natural resources and mitigating significant adverse impacts on the environment. It is aimed at companies involved in economic activities that are water-intensive or generate significant amounts of hazardous waste. Our engagement covers topics such as policy and targets on water and waste, and companies' operational water and waste management. Progress has been made in half of our engagements, with some (but not yet all) of the companies we have been talking with putting greater emphasis on water and nature challenges in their policies and strategies.

For more information, please refer to Robeco's Active Ownership report Q1 2024: https://www.robeco.com/en-int/insights/2024/04/fashion-transition-engagement-leads-q1-active-ownership-report

Palm oil engagement

In 2024 we concluded nearly all of our enhanced engagement cases focusing on sustainable palm oil with companies producing palm oil. In 2025, the enhanced engagement program will be expanded to also cover other agricultural commodities linked to deforestation risks, such as beef and timber, in line with the COP26 Financial Sector Commitment on Eliminating Commodity-driven Deforestation that Robeco signed in 2021.[13]

We based our palm oil engagement efforts on companies' level of certification against

[13] https://unfccc.int/climate-action/engagement/marrakech-partnership-for-global-climate-action/actors/meet-the-champions/work-of-the-climate-high-level-champions

the Roundtable on Sustainable Palm Oil (RSPO) standard, focusing on companies that have received RSPO certification for 50–80% of their land. The main goal of the program was to support these companies in making a commitment toward zero-deforestation and receive RSPO certification for at least 80% of their land by the end of 2024. Upon completion of the program, we closed two engagement cases successfully and extended our engagement with the remaining company for an additional year.

For more information, please refer to Robeco's Active Ownership report Q1 2025: https://www.robeco.com/en-int/insights/2025/04/deforestation-and-human-rights-lead-q1-active-ownership-report

Biodiversity voting

In 2024 we continued to consider deforestation in our Proxy Voting Policy, targeting companies with high exposure to deforestation risk and inadequate procedures to manage this risk, and companies that have been involved in repeated severe deforestation-linked controversies. We voted against the most appropriate agenda items at the annual general meetings of the companies involved. Over 50 companies were targeted.

Public policy engagement on deforestation

We recognize that addressing deforestation requires more than just engaging with companies. Most deforestation is concentrated in a relatively small number of jurisdictions and can be deemed a country risk. As such, we engage with some governments to encourage them to implement policies to minimize deforestation while delivering their nationally determined contributions under the Paris Agreement.

Robeco has been part of the Investor Policy Dialogue on Deforestation Initiative since its foundation in 2020. We co-chair the workstream responsible for engaging with Indonesia's government and actively participate in the Brazilian workstream. Engagement with Indonesian government agencies was slow in 2024 as the country held a general election, resulting in the appointment of a new cabinet. We conducted broader policy engagement on the EU Deforestation Regulation as part of the initiative. In November 2024 we sent a letter to the EU Parliament supporting this regulation and rejecting the European Commission's proposal for a one-year

CASE STUDY

Sappi

Sappi is a diversified wood fiber company producing pulp, packaging and paper products. Its raw material is sourced from forests and plantations, mostly in South Africa. Its operations are highly dependent on water and have an impact on the rivers near corporate sites.

Reason for engagement

We focused on the topic of water shortages and wastewater discharges, highlighting the potential risks to the business and local stakeholders.

Engagement efforts and outcomes

In May 2023, the company presented a new Group Water Stewardship Policy, in which Sappi committed to developing water management plans to enhance the protection of water resources and to improve the quality of wastewater discharge. As more biodiversity topics beyond water and waste should be discussed, we continue our engagement with Sappi under the biodiversity theme.

CASE STUDY

Severn Trent

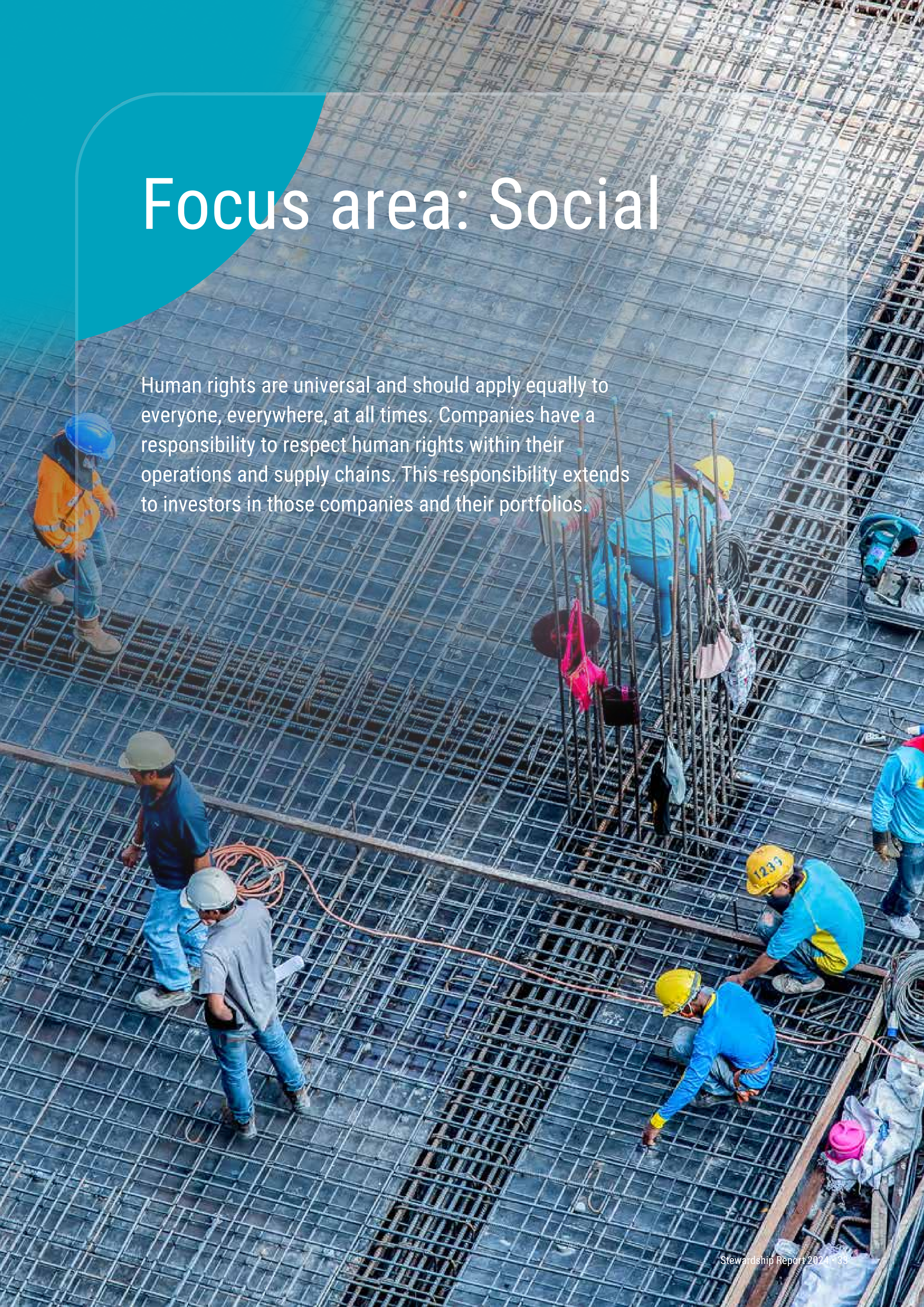
Severn Trent is a British water company, supplying 4.6 million households and business across the Midlands and Wales.

Reason for engagement

Severn Trent and its peers in the industry have come under severe pressure for its poor performances in tackling leaks and sewage contamination, as is also shown in the Environmental Performance Assessment (EPA) report from 2022. English water and sewerage companies are in general struggling to improve their performances.

Engagement efforts and outcomes

We started our engagement on water and waste management with Severn Trent with the aim of supporting management with the ongoing concerns in the UK related to pollution incidents, sewage spillages and river water quality management. Over the course of our one-to-one dialogue, the company presented its 2025 reduction targets for both sewage and leakage spills. Severn Trent aims to reduce sewage spillages to an average of 20 per year, while it plans to achieve a 15% reduction in leakages by 2025. The company is already leading the sector concerning 'total and serious pollution incidents', and these new targets confirm its commitment to remain best in class, leading us to close the engagement successfully.



Focus area: Social

Human rights are universal and should apply equally to everyone, everywhere, at all times. Companies have a responsibility to respect human rights within their operations and supply chains. This responsibility extends to investors in those companies and their portfolios.

Robeco takes its responsibility to respect human rights seriously and we believe we can play a role in advancing human rights by engaging with companies we invest in on social issues. We have signed the UN Global Compact and endorse the OECD Guidelines for Multinational Enterprises, which underpin our approach to considering social issues in our investment and active ownership processes.

Our commitment

Our work on social issues is based on internationally accepted frameworks that translate the Universal Declaration of Human Rights, UN Global Compact and OECD Guidelines for Multinational Enterprises into guidelines that are relevant for the companies we invest in. These are the International Labour Organization's (ILO) international labor standards and the UN Guiding Principles on Business and Human Rights.

We have policies and processes in place to determine how we take social issues into account in our investment decisions. Our policies cover our investment funds, whose investment guidelines we determine. Clients investing with us through mandates can decide their own policy regarding social issues. We review our policies and procedures on social issues at least once a year, considering key findings from engagements and feedback from internal and external stakeholders. Robeco has an internal social issues stakeholder group that consists of representatives of various departments. It provides feedback on our approach to social issues and can suggest new ideas and issues to consider.

Implementation in investment strategies

We take action on social issues with the companies we invest in in the following ways:

- We exclude from our investment universe companies that, through their products and services, create severe negative social impacts.
- We engage with companies that cause a negative social impact, either through their own operations or in their value chain, by being in breach of the social guidelines of the UN Global Compact or the OECD Guidelines. This can include issues linked to human rights and forced and child labor. If the companies do not act to remedy the problem, we exclude them from our investment universe.
- We engage with the firms we invest in on their implementation of the UN Guiding Principles on Business and Human Rights.
- We integrate financially material social issues in our investment decision-making process. For example, in our quantitative investment models we take into account companies' human capital management. In our fundamental analysis of companies, we analyze the most relevant social issues for firms in their respective sectors.
- We provide our clients with investment products and solutions linked to social issues, including our gender equality equity strategy, fashion engagement equity strategy and healthy living equity strategy.

Our social issues framework

In 2022 we set up a Human Rights Task Force to contribute to developing our approach to human rights. In 2023 we started developing a draft social framework, and in 2024 we continued developing this framework. Given the breadth of the framework, which now focuses on a broad range of social issues rather than just human rights, we have renamed the task force to the 'Social Issues Task Force'. We expect to launch our social issues framework in the first half of 2025.

The starting point of our social issues framework is assessing the importance of a range of social issues to various industries, in line with the UN Guiding Principles on Business and Human Rights. Using input from external data providers and in-house research, we highlight the major social risks that the companies in our portfolios are exposed to in their own operations and supply chains. We assess both the likelihood of each risk becoming an issue and the impact severity for each industry – the combination of which determines the total exposure to social risks. Almost all of the 22 industries we cover have high exposure to at least one of the social issues we consider.

We have not set any quantitative limits for exposure to social issues in our investment portfolios. Our funds exclude companies that are in severe breach of global standards and that do not improve their behaviors as a result of our engagements with them.

Robeco's Social Traffic Light scorecard

Based on our analysis of industries we are developing a Social Traffic Light scorecard that provides a snapshot of an individual company's exposure to, and management of, social issues. Our assessment is based on a double materiality approach in that it aims to capture both a company's societal impact as well as the financial implications of how it manages social issues. We consider the following topics:

1. Social Minimum Standards: We assess whether the company is severely breaching the UN Guiding Principles on Business and Human Rights.
2. Respect Human Rights: We assess the company's human rights, modern slavery and supply chain policies, human rights due diligence and handling and remediation of grievances.
3. Decent Work: We assess whether the company complies with ILO labor standards, its diversity, equity and inclusion policies, and how it manages its human capital.
4. Other: We also consider sector-specific indicators such as social supply chain management, data privacy and security, and community relations if we consider them to be relevant for the sector in question.

Social collaborations

We work with other companies and institutions to further the causes of responsible investment and social issues. For example:

- Robeco is a member of PRI's Human Rights Stewardship Initiative's Advisory Council, Advance. This initiative aims to address social challenges through collaborative engagements.

- We are also part of the Advisory Council of the Investor Alliance for Human Rights, a platform for collective action on responsible investment that is grounded in respect for people's fundamental rights.

Social stewardship

Protecting human rights is an important issue in our stewardship activities, and we incorporate this topic in our three-year engagements and voting activities.

While we did not instigate any new engagement themes focusing on social issues in 2024, we continued our dialogues with companies on the topics of:

- Diversity and inclusion
- The fashion transition
- Human rights due diligence in conflict-affected and high-risk areas
- The Just Transition in emerging markets
- Labor practices in a post Covid-19 world
- Modern slavery in global supply chains

Below we discuss our fashion transition, the Just Transition in emerging markets, and labor practices in a post Covid-19 world, as engagement themes. We also provide an update of the Diversity and inclusion theme, which will be transformed to a broader human capital management theme in early 2025.

CASE STUDY

Just Transition Ecosystem engagement: Beyond corporate engagement

Ecosystem engagement refers to actively involving all stakeholders, such as governments, businesses, workers, communities, financial institutions, and civil society, in designing and implementing equitable solutions for the shift to a low-carbon economy. It is key to achieving a successful and fair transition.

As such, we have extended our efforts beyond corporate engagement to also include:

- Public policy engagement: We engage with policy makers to support the development of socially conscious transition policies, for example by providing input to consultations (e.g. Transition Planning Guidelines from the Monetary Authority of Singapore).
- Industry engagement: We actively participated in industry initiatives such as GFANZ APAC and the Singapore Sustainable Finance Association (SSFA), joining workstreams focusing on developing guidance for financial institutions in the Asia-Pacific region, and we continuously seek opportunities to engage collaboratively with other investors.
- Civil society dialogue: Via international organizations such as the United Nations Development Program (UNDP), we engage with NGOs, trade unions and affected stakeholders at the UN Responsible Business and Human Rights Forum APAC.

Fashion transition engagement

We launched our fashion transition engagement theme and a related fashion transition equities strategy in October 2023. Both address key social and environmental concerns linked to the fashion and cosmetics industries. From dialogues with fragrance producers to in-depth engagements with clothing brands and third-party sustainability certifiers, through the engagement theme we urge companies involved in fashion to prepare for the future by shifting toward circular operational structures and minimizing their negative social and environmental impacts.

Our dialogues in the first year of the program had a particular focus on decent work. To ensure companies provide decent work to the people they employ both directly and indirectly, they must have in place strong social policies covering core human rights and International Labour Organization principles. They must also be able to show that these policies are well implemented through due diligence, monitoring and grievance systems. We expect companies to work toward strict living wage standards and pay parity across their supply chains; they could do this by adopting responsible purchasing practices, assessing wage levels and moving toward living wage accreditation.

The Just Transition in emerging markets

We launched our Just Transition in our emerging markets engagement theme in 2023, focusing on six companies from the mining and energy industries operating in Africa and Asia. This theme addresses the social, economic and equality-linked challenges arising from the shift to a sustainable, low-carbon economy.

Our engagement program sets clear objectives: companies must commit to a Just Transition, engage with stakeholders, publish a Just Transition plan, manage any associated risks, and disclose their progress. These objectives align with key frameworks such as the UN Guiding Principles on Business and Human Rights and the Task Force on Climate-related Financial Disclosures.

In the theme's first year, companies showed interest in learning about the Just Transition, with many issuing explicit Just Transition commitments. While translating these commitments into concrete actions remains a challenge, reporting and stakeholder engagement processes are evolving. This is leading to opportunities for companies to overcome the challenges they face when incorporating Just Transition considerations into existing frameworks.

Moving forward, we expect companies to adopt a structured, time-bound approach to ensure there is meaningful progress toward a Just Transition. Our engagement program will expand to include companies in the financial sector in 2025, promoting sustainable practices and ensuring that financial institutions play a pivotal role in supporting equitable transitions around the world.

For more information, please refer to Robeco's Active Ownership report Q4 2024: https://www.robeco.com/en-int/insights/2024/01/ocean-health-engagement-leads-q4-active-ownership-report

Labor practices in a post Covid-19 world – closed theme

While many people anticipated that consumer preferences would change during and after the pandemic, few expected people's expectations about the nature of work and working conditions to shift as well. As the economy started to recover, and as the cost of living started to rise, it became clear that many workers were no longer willing to accept jobs with low pay, bad working conditions, high risks to their health and few employee benefits. This resulted in the so-called 'Great Resignation', when many people voluntarily left their jobs, especially in sectors in which there is considerable person-to-person contact. This highlights the financial materiality of labor standards for companies that we engage with in our 'Labor practices in a post Covid-19 world' theme, involved in industries such as food retail, online food delivery and hotels.

These engagements, which began in 2021 and ended in 2024, focused on the systemic labor challenges, including labor shortages, rising inflation and an uncertain regulatory backdrop, faced by some of the industries that were most impacted throughout the pandemic. Many firms recognized the importance of overcoming the labor challenges that they were facing. The companies in our engagement group made significant strides in terms of health and safety, acknowledging the right of freedom of association, and human capital development. Some of the best practices that emerged during our engagements included designing individualized employee career paths, reporting on internal promotion rates, conducting inaugural pay equity assessments and exploring alternative ways to assess diversity metrics, such as by looking at educational backgrounds.

All of the online food delivery companies we engaged with significantly enhanced their approach to courier road safety. Improvements included the revision of delivery algorithms and incentive structures to prioritize the use of less risky routes and allowing more time for deliveries. Some companies linked lower accident rates to executive remuneration, leading to a significant drop in accident rates. However, there was limited progress in terms of improving wages and employee benefits in nearly all our engagements. This reflects the nature of many low-cost service sector companies' business models, which are characterized by thin profit margins and the need to minimize their biggest outgoings: labor costs.

CASE STUDY

Meituan

Meituan is one of the two largest Chinese online food delivery companies.

Reason for engagement

In 2021, Meituan was confronted not only by courier protests but also faced legally mandated labor standard revisions by the Chinese government. Through our continued dialogue with the company, we were pleased to see Meituan come out as a best practice when it comes to aligning its delivery algorithm with health and safety priorities.

Engagement efforts and outcomes

Over the last three years, Meituan regularly revised its delivery algorithm with a focus on reducing road accidents, embedding more reasonable delivery time limits and routes, as well as amending incentive and penalty structures to no longer incentivize reckless driving. Besides embedding accident insurance coverage for each delivery, the company also included mandatory trainings and delivery restrictions if couriers are flagged repeatedly for road safety violations. Altogether, these measures have already started to reduce accident rates across its workforce.

CASE STUDY

Intercontinental Hotels Group

Intercontinental Hotels Group (IHG) is a British hotel franchise.

Reason for engagement

IHG struggled to identify and manage labor practices among some of its most vulnerable workers; those employed not by IHG, but by third-party service contractors such as cleaning or security firms.

Engagement efforts and outcomes

Addressing this critical and extensively discussed gap in IHG's policies and monitoring systems, we were pleased to see that the company extended its human rights approach to include key labor practices, including freedom of association, wages and working hours, as well as worker health and safety. IHG has since rolled out its 'Responsible Labour Requirements' policy, a set of mandatory labor-related due diligence standards for its managed hotels when working with sub-contractors. It is also planning to conduct regional human and labor rights impact assessments which will guide further action.

Diversity and inclusion

Moving from an engagement theme focused on diversity and inclusion (D&I) to one addressing human capital management (HCM) marks a strategic shift in our focus. This approach addresses a wider range of workforce issues, recognizing the financial and social value of job satisfaction, fair wages and employee development. It aims to enhance innovation, business success and resilience at the companies in our portfolios.

Initially, our D&I engagement focused on corporate diversity practices and disclosures, gender pay gaps, and board representation. However, internal research from Robeco's Sustainability Investing and Quant Research teams highlighted that broader HCM characteristics, such as job satisfaction, compensation, internal hiring, employee training and turnover are positively correlated with higher productivity, stock price outperformance and valuation metrics. Given these insights into financial materiality, it became apparent that a more holistic HCM engagement approach would allow us to unlock broader financial and social value.

Another important consideration was the increasing politicization of D&I-related discussions, most prominently in the US. While better corporate D&I practices continue to hold value, we recognized the need to frame our discussions in a way that remains constructive in light of shifting political landscapes, while remaining relevant regardless of regional regulatory developments. Our aim is to support companies in navigating how to invest in their workforce and enhance their HCM practices, resulting in increased innovation and business success.

Finally, by transforming the theme into a HCM-focused engagement, we have broadened our objective coverage to include training and career development, employee attraction and retention, fair wages and pay practices, well-being, and corporate governance related to human capital policies. This allows us to advance our existing social engagement program and encompass more holistically how companies invest in their own employees.

For more information, please refer to Robeco's Active Ownership report Q1 2025: https://www.robeco.com/en-int/insights/2025/04/deforestation-and-human-rights-lead-q1-active-ownership-report

Enhanced engagement and exclusions

In addition to engagement themes related to human rights and social issues, we also focus on companies that severely breach the principles of the UN Global Compact and / or the OECD Guidelines for Multinational Enterprises in our enhanced engagement screening and related engagement program. Exclusion is available as a last resort for any company that fails to improve to meet the minimum standards. Read more about our enhanced engagement approach in chapter 'Focus area: Controversies and Exclusions'.

Social voting policy

Social topics mostly find their way onto Annual General Meeting (AGM) agendas via shareholder proposals. As not all AGMs include such proposals, in 2022 Robeco developed another way to integrate human rights and social considerations in its voting approach: we started screening companies that are exposed to human rights and social issues and that do not provide any evidence of having adequate human rights due diligence processes in place – a key requirement of the UN Guiding Principles on Business and Human Rights.

In 2024, we continued to vote against the sustainability committee chair or the financial statements and audit reports at companies involved in severe social issues. Ahead of ten companies' AGMs we sent letters to inform them of our intention to vote against them due to, for example, severe issues with labor standards, and give them the opportunity to provide us with additional information. We will evaluate the success of our approach and consider how we can enhance it over time.

Focus area: Governance

A well-structured corporate governance system aligns the various interests of all the stakeholders in a company, including shareholders, management, clients, suppliers, financiers, government and the community. Governance supports the company's long-term strategy.

We expect companies to have a well-defined corporate governance system that balances the interests of all stakeholders. Corporate governance refers to a set of rules or principles defining rights, responsibilities and expectations between different stakeholders in the governance of corporations. It can enhance the stability and performance of a company and support its long-term strategy. Corporate governance provisions can differ strongly between regulatory markets.

We want companies to implement the guidelines shown below to the best of their ability and within the limits of any applicable local corporate governance framework. We recognize that sustainable and well-governed companies must satisfy the basic and legitimate requirements of its capital providers. Therefore, we expect prudent capital allocation as a basis for responsible company management.

Collaborative engagement

As part of our governance related engagements, we mainly work closely together with local institutions.

- In the Netherlands, we collaborate with Eumedion for Dutch listed companies.[14] Robeco is lead engager on the collaborative engagements with Adyen, Ahold Delhaize, Arcadis, Signify and Unilever. We actively contribute to the collaborative engagements with ASML, DSM-Firmenich and Heineken Holding.
- In Asia, we are active members of the Asian Corporate Governance Association (ACGA) and work together for the implementation of effective corporate governance practices throughout the continent. We are particularly active with ACGA in Japan, Hong Kong and South Korea.[15]
- In Brazil, we are active members in the Stewardship Association, Associação de Investidores no Mercado de Capitais (AMEC).[16]

Attending AGMs in person

As part of our high-intensive engagement process, Robeco leveraged our ownership rights by physically attending a variety of shareholder meetings in the UK and the Netherlands; using this venue to engage with investee companies on key sustainability risks, impacts and opportunities, encouraging companies to build future-proof models.

AGMs are crucial platforms for approving and discussing key governance mechanisms, including board elections, remuneration structures and the annual report. While much of our engagement happens before these meetings, the final vote and feedback occur during the AGM. For those shareholder meetings we attended in person, we discussed strategy, governance and reporting, and encouraged companies to advance their sustainability initiatives and remuneration policies. In many of these engagements, we have seen progress being made on remuneration structures, ESG disclosures, and giving better guidance to the market.

As part of our engagement activities, Robeco attended the annual shareholder meetings of the following companies:

Figure 12 | Case studies –AGM in-person attendance 2024

Company	Focus
Adyen	A Dutch payments company, where we discussed how better guidance could be given to the market to reduce volatility.
Ahold Delhaize	A Dutch-Belgian food retailer, where we discussed recent changes to the product portfolio and the company's ESG ambitions.
Arcadis	A Dutch design and infrastructure consultancy organization, where we discussed how the company is measuring, reporting and ultimately minimizing biodiversity impacts across its project portfolio. Besides that, we posed questions around the appointment of a new auditor as of 2025.
Avantium	A Dutch technology company, where our discussions centered on creating the best incentive structures for both management and the supervisory board.
Signify	A Dutch lighting solution provider which recently announced a restructuring which impacted 1000 of its employees, and where our dialogue was focused, among other things, on how the company is mitigating the negative impacts of these changes on its workforce.
Unilever	A Dutch-British FMCG company, where our discussion centered around the sustainability implications of its recent strategy changes under its new leadership. The CEO and Chair reassured investors of Unilever's continued focus on sustainability, with ambitions having become a lot more focused on measurable and controllable impacts.

Source: Robeco

In a global context, Robeco's voting and engagement activities on good governance are based on internationally accepted guidelines, such as the principles set by the International Corporate Governance Network (ICGN), the UN Global Compact principles, and several OECD principles including the OECD Principles of Corporate Governance.

Engaging on governance topics

While we did not instigate any new engagement themes related to corporate governance, we did continue our dialogues with companies on this topic, which are always relevant for investors:

- Good governance
- Corporate governance standards in Asia
- Corporate governance in emerging markets
- Tax transparency

[14] Eumedion represents the interests of institutional investors in the field of corporate governance and sustainability. Eumedion is committed to promote good corporate governance and sustainability policies at Dutch listed companies. Robeco collaborates with Eumedion and is active as Chair, and (co)leads on engagements.
[15] The Asian Corporate Governance Association (ACGA) is an independent, non-profit membership organization dedicated to working with investors, companies and regulators in the implementation of effective corporate governance practices throughout Asia.
[16] Amec gathers about 60 foreign and domestic institutional investors responsible for managing investments of approximately $ 900 billion Reais in the Brazilian stock market. The main goal is to ensure the rights of minority shareholders and promote the development of the Brazilian Capital Markets.

Below we discuss our good governance engagement theme.

Good governance
The second quarter of the year is often seen as the recurring pinnacle of corporate governance, with most annual general meetings (AGMs) taking place throughout this period. During this time, shareholders often take the opportunity to hold management of their investee companies accountable for their actions over the last year, and to raise issues for further improvements on a variety of topics.

As with all proxy seasons, many topics led to heated debates, including questions on climate change, remuneration issues, capital allocation plans, human capital management and lobbying procedures. However, this season in 2024, one much more fundamental question overshadowed many of these discussions: Is shareholder democracy still functional in upholding the best interests of all shareholders?

This key and novel debate was triggered partly when Exxon Mobil decided to take legal action against Arjuna Capital and Follow This, seeking to get a shareholder resolution asking to remove Paris-aligned carbon reduction targets from the agenda. Many shareholders were concerned with this, not just because the company continued to pursue the lawsuit after the proponents had withdrawn the resolution, but also because of the precedent it set.

In normal circumstances, if a US company wants to challenge a shareholder resolution, it would turn to the Securities and Exchange Commission (SEC). The regulator would then determine (based on a set of guidelines) whether the proposal should be taken off the agenda. Many shareholders feared that companies taking legal action would create a different dynamic that would make them much more hesitant to make use of their rights to bring forth certain issues to management. Together with several other institutional investors, Robeco signed a petition asking companies to resolve their differences with shareholders via a constructive discussion, or if necessary to take their challenges to the SEC, rather than resorting to the courts. In the end, the court declared ExxonMobil's claim redundant, as the shareholder had made an unconditional and irrevocable pledge not to file a similar resolution again.

Voting policy
The vast majority of the proposals we vote on can be categorized as proposals dealing with governance topics. These topics are diverse and range all the way from board independence to supermajority vote provisions.

To read more about our voting activities on governance-related topics, please refer to our Proxy Voting Season Overview: https://www.robeco.com/files/docm/docu-0824-robeco-proxy-voting-season-overview.pdf

Focus area: SDGs

Robeco views the Sustainable Development Goals (SDGs) as a blueprint for sustainable investing and has been running fundamental credit and equity strategies that aim to contribute toward the SDGs since 2018. Robeco has developed methodologies and frameworks that measure the contributions of firms and countries to the Sustainable Development Goals. Our SDG frameworks are based on rigorous research and enable us to identify companies and countries that are advancing the cause of sustainable development, and to allocate capital accordingly. As part of our SDG engagement program, we aim to encourage companies to improve their impact on at least one of the 17 SDGs.

Engaging on the SDGs

Our SDG engagement theme aims to address to what extent companies' products and services can make a clear contribution to addressing sustainable development challenges, in developing new business models, expanding into otherwise underserved markets, or adjusting existing business processes to advance industry best practices.

Three key processes guide the theme. The first is the construction of a company-specific SDG engagement case, informed by Robeco's company SDG Framework, using SMART objectives. We term these objectives as 'milestones', as in aggregate they represent the steps companies can take to address their societal impacts and align their corporate strategy with the SDGs. These milestones 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 toward sustainable development, which feeds back into the research and fundamental view of the company. Finally, we evaluate the impact of the engagement, applying our impact measurement framework that also factors in the company's view of the dialogue.

Engagement progress

As we address multiple SDGs and topics in each engagement, we track companies' progress by evaluating to what extent they have met our expectations on specific asks. These range from disclosures, policies and stakeholder interactions, to target setting and other forms of corporate action. Over the last year, the majority of the milestones achieved were linked to SDG 12: 'Responsible consumption and production', and SDG 13: 'Climate action', which align with the distribution of the SDG linkages across the total milestones we've set across engagements.

Measuring impact

With the SDG engagement program, we aim to improve a company's contribution to one or more of the SDGs. The chain of engagement activity, progress, and impact takes time and consistency – but it is possible. Annually, Robeco reports on its engagement impact. The annual impact report covers what we've done, where we stand with companies, and how our thinking around impact is evolving.

To best capture the societal impact of our engagement, we have developed a framework that builds on the 'five dimensions of impact', as originally introduced by the Impact Management Project.

Proprietary company and country SDG frameworks

Company SDG Framework

Our proprietary Company SDG Framework is a tool that evaluates companies based on the contributions they can make to the 17 UN Sustainable Development Goals. We consider a company's contributions to each of the individual SDGs and aggregate this information into an overall company SDG score, ranging from -3 (highly negative) to 0 (neutral) and +3 (highly positive). We use these scores in our range of sustainable fundamental, quantitative and indexed investment strategies covering equities and corporate bonds.

In 2024, we further expanded our SI Open Access initiative, making Robeco's SDG scores for over 30,000 companies available on Bloomberg. Having developed these scores in 2017, we first made them available to clients and academics in 2022 as part of SI Open Access and in 2023 we made them freely available to anyone on Robeco's main website.

Country SDG Framework

Our Country SDG Framework assesses the extent to which countries have policies in place that advance sustainable development, whether they are in need of additional capital to finance sustainable development, and whether they adhere to key sustainability principles. We use this framework for strategies investing in sovereign debt.

As with our Company SDG Framework, we assign countries a score ranging from -3 to +3 for individual SDGs, and aggregate these into an overall score. We updated the input data we use to calculate these scores in 2024, but the methodology we use remained largely unchanged.

Figure 13 | Engagement objectives SDG engagement program

Impact plan

Companies should link their materiality assessment to relevant SDGs in order to identify their priority impact areas

SDG mapping

Sustainability reporting on relevant impact indicator metrics on the SDGs

Target setting

Setting specific, measurable and time-bound goals

Stakeholder management

Maintain a constructive dialogue with key stakeholders about the impact of their products/services

Integrated governance

Integrating sustainability into the core business and governance

Figure 14 | Illustrative example of Robeco's engagement impact framework

Dimension		Question	Assessment				
			1	2	3	4	5
What		What is the intended **real-world impact**?	*Described in respective engagement objective or milestone*				
Who		**How underserved** are the ultimate beneficiaries related to the outcome?	**Well-served** *e.g. investors, corporate customers*	**Somewhat well-served**	**Moderate**	**Somewhat underserved**	**Underserved** *e.g. sub-contracted workers in poorer economies*
How much	**Scale**	**How many** beneficiaries are experiencing the outcome?	**Very small scale** *e.g. < 5.000 people*	**Small scale** *5.000 - 50.000*	**Moderate scale** *50.000 - 500.000*	**Large scale** *500.000 - 5.000.000*	**Very large scale** *e.g. > 5.000.000*
	Depth	What is the **degree of change** experienced by beneficiaries due to the outcome?	**Very low degree** *e.g., customer satisfaction or convenience*	**Low degree**	**Moderate degree**	**High degree**	**Very high degree** *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**
Risk		What is the **likelihood** that the intended societal impact will be generated as a result of achieving the milestone?	**Unlikely** *e.g. improved disclosures on injury rates might not lead to significant impact on the ground*	**Somewhat unlikely**	**Neutral likelihood**	**Somewhat likely**	**Likely** *e.g. a realized reduction in injury rates likely reflects a direct impact on the ground*

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.

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.

The results show that most companies felt that Robeco's engagement specialists were well-informed and focus on issues that are both financially material to the company, as well as material for society.

The responding companies shared that the engagements have helped them 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.

Academic research collaboration

In 2025, as part of a research collaboration with Rotterdam School of Management, we rolled this 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.

CASE STUDY

LyondellBasell

LyondellBasell Industries (LYB) is one of the largest chemical and plastic feedstock producers in the world.

Reason to engage

Given LYB's main plastic products are derived from fossil fuels, the company is under pressure to reduce its carbon footprint, manage hazardous chemicals, and transition toward 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).

Engagement efforts and outcomes

Climate

- LyondellBasell is working toward 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 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 its 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. 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 policies.
- 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, 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.

Focus area: Controversies and Exclusions

Robeco adheres to several independent and broadly accepted codes of conduct, statements and best practices and is a signatory of several of these codes. These international treaties guide us in assessing controversial behavior of companies. If Robeco deems a company has severely breached these standards and engagement is possible, the company will be in scope of our dedicated enhanced engagement program focusing on controversial behavior. This process could have potential investment implications, such as exclusion.

The most important codes, principles, and best practices for engagement followed by Robeco are:

- International Corporate Governance Network statement on Global Governance Principles
- United Nations Global Compact
- United Nations Sustainable Development Goals
- United Nations Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- Responsible Business Conduct for Institutional Investors (OECD)

Proprietary controversy assessment

As part of the drive to strengthen our approach for controversial behavior engagement, Robeco has developed an in-house controversies assessment. The Robeco controversies framework analyses over 1,200 companies based on three key criteria – the severity of impact, remediation and prevention – in order to arrive at a final controversy score ranging from 0 to -3.

We embed an impact perspective into our assessment approach, rather than only a financial materiality lens. The in-house assessment provides us with an extra signal on companies in our investment universe, in addition to ESG data providers' data. We can also be faster and more agile in upgrading and downgrading controversy scores. It is valuable to have our own perspective reflected in the score, especially for challenging subjects such as forced labor or businesses operating in conflict-affected areas.

For more information, please refer to Robeco's Active Ownership report Q3 2024: https://www.robeco.com/en-int/insights/2024/10/forever-and-a-day-phasing-out-dangerous-chemicals

In addition to our own adherence to these codes, we also expect companies to follow these codes, principles, and best practices.

Engagement on controversial behavior

Our enhanced engagement on controversial behavior is focused on companies that severely and structurally breach minimum behavioral standards outlined in the aforementioned guidelines. Robeco's Controversial Behavior Committee (CBC) has oversight and decision-making responsibilities related to the controversial behavior of corporates. The committee is chaired by the controversy engagement specialist and consists of representatives of Sustainable Investing, SI Research Board, Risk Management and Compliance and the CIO.

If a company does not improve its practices during our engagement, Robeco's Controversial Behavior Committee can decide to exclude it from the investment universe. We re-evaluate the practices of excluded companies at least once a year and only reinstate them if they have made significant improvements.

Engagement process

Robeco uses several external ESG data/rating providers' data (such as Sustainalytics, MSCI, RepRisk), but also internal data source for our analysis of breaches of the UNGC and OECD guidelines. These data providers assess to what extent which companies breach international guidelines. We monitor all these companies, and include many of them in our enhanced engagement program, depending on our own assessment and whether the company's securities are held in our or our clients' portfolios.

We review the list of potential breaches on an ongoing basis and conduct our own assessments. Specifically, Robeco's controversy engagement specialist reviews the cases flagged and assess them based on the nature of the breach, accountability and severity of the breach. These assessments also include inputs from Robeco's SI analysts and the outlook for any future engagement. Once all the information has been gathered, this is brought forward to the Controversial Behavior Committee for approval, upon which the committee will decide whether a new enhanced engagement case should be opened.

Targeted objectives

Once a new case is opened for enhanced engagement, the first aim is to eliminate the breach and the second is to implement proper management systems to prevent such a breach from happening again. For all cases, the following five objectives are set:

1. Eliminate the breach
2. Develop and implement policy in the relevant area
3. Establish a constructive dialogue with stakeholders
4. Implement effective risk management systems
5. Provide transparency on the breach and remediation efforts

When an engagement leads to a successful closure of the first objective (elimination of the breach) and the third objective (establishing a constructive dialogue with stakeholders including having in place grievance mechanisms) and at least one additional objective, the engagement cases can be put forward to the Controversial Behavior Committee. The committee will decide whether to close the engagement case successfully, based on an overview of the dialogue. It is also important to note that unsuccessfully closed engagement cases are reviewed by the committee at least once a year in order to ensure a timely (re-)assessment of a breach.

Escalation strategy

We allow for a maximum of three years of engagement with a company in the global controversy program, whereby we apply a strict escalation process. If the trajectory is not positive, or there is limited progress, we may propose to the committee that the case be closed unsuccessfully and the company excluded from our investment universe without waiting for the full three years.

We believe that this would create more accountability for companies to remediate the impact caused and to improve how they manage these issues in order to prevent future occurrences of similar breaches. Clients may use their own discretion on whether to exclude a company from their investment universe.

Exclusion policy

Carrying out our stewardship responsibilities is an integral part of Robeco's approach to sustainable investing. We avoid making any investments that we or our clients deem unsuitable, so we exclude some firms from our investment universe. Examples include companies active in the production of controversial weapons or the cultivation and production of tobacco. Our exclusion criteria are set out in our Exclusion Policy.

Robeco's exclusion policy serves three purposes. First, it represents a minimum standard: we set out minimum standards for products, services and business practices that Robeco deems detrimental to people or planet, or that are at severe risk of becoming stranded assets, and where we believe the potential to change this through engagement is limited. Second, it is a means of escalation: we use exclusion to escalate engagements that we initiated due to misconduct. Finally, it enables us to comply with regulations.

We apply two levels of exclusions, depending on the sustainability profile of the fund:

- Level 1 'Exclusions': minimum exclusion criteria applied by Robeco in all funds.
- Level 2 'Exclusions+': more stringent than Level 1 as it applies stricter criteria and covers more categories. Companies under engagement due to misconduct are not eligible for investment by our strategies that apply our Level 2 exclusions.

Our exclusion policy applies to all client assets in all funds over which we have full discretion, including those that are sub-advised by group members, but it does not necessarily apply to discretionary mandates or client-specific funds.

CASE STUDY

Vale

Vale is the world's largest producer of iron ore and engages in different types of mining and other operations in approximately 30 countries. We have been engaging Vale on breaches of international standards like the UN Global Compact and OECD Guidelines since 2015. As of 2019, the company was added to Robeco's exclusion list.

Reason for exclusion

We started enhanced engagement with the company due to labor issues and concerns about the stability of their tailings dams. In November 2015, a tailings dam failed at a mine in Brazil belonging to Samarco, a 50/50 joint venture between Vale and BHP Billiton. The incident caused the death of 19 people and had serious environmental consequences. The report of an inquiry commissioned by BHP Billiton pointed out serious defects at the dam.

In January 2019, another of Vale's tailings dams in Brazil collapsed, causing a provisional total of 237 fatalities. Defects were identified in the construction, maintenance and monitoring of the dams. Due to limited progress on the engagement objectives, and the second dam collapse, the engagement was deemed non-effective and the company was added to Robeco's exclusion list in 2019.

Reason for re-inclusion

On an annual basis, Robeco reviews the companies on the exclusion list due to controversial behavior. Based on our assessment, the company appears to have made improvements. At the start of 2024, we started a one-year dialogue with the company with the aim of assessing the eligibility of the company for re-inclusion in Robeco's universe.

We have set ambitious engagement objectives for this one-year period. The company must demonstrate that it is no longer in breach of UN Global Compact principles, with corrective measures and remediation implemented – and full compliance to the Global Industry Standard on Tailings Management.

With the company's past track record of two major disasters in mind, we sought the necessary assurance that the company has made substantial improvements. After our intensive engagement, we decided to reinclude Vale into the investment universe based on the improvements the company has made over the past years in strengthening its tailings dam management, cleaning the environmental pollutions and remediating the communities affected.

For more information, please refer to the following links:

- Exclusion policy: https://www.robeco.com/files/docm/docu-exclusion-policy.pdf
- Exclusion list: https://www.robeco.com/files/docm/docu-exclusion-list.pdf

Public policy and partnerships

Over the course of the year, we engaged both collaboratively and individually on various public policy initiatives. Although our engagement spans the ESG spectrum, public policy initiatives are rooted in governance and regulation.

Because engagement is never intended to unduly influence the political process, Robeco only conducts engagement on public policy where it is deemed appropriate and transparent. We take part in consultations and provide feedback on regulations that facilitate a better or level playing for ESG issues. The majority of our engagement activities on this topic are coordinated through the various investor associations and collaborative groups of which we are members that provide feedback to governance, reporting and sustainability practices, such as Eumedion, Asian Corporate Governance Association (ACGA), Associação de Investidores no Mercado de Capitais (Amec), etc. Policy engagements that are done via these collaborative platforms can be relevant from an equity investor perspective, from a bondholder perspective, or from both.

SI collaborations

As part of our commitment to making financial markets more sustainable, Robeco works together with a diverse range of institutions such as the PRI, IIGCC, and Climate Action 100+. Our active contribution to these global platforms for collaborative action on sustainability issues enables us to help shape the global investment agenda.

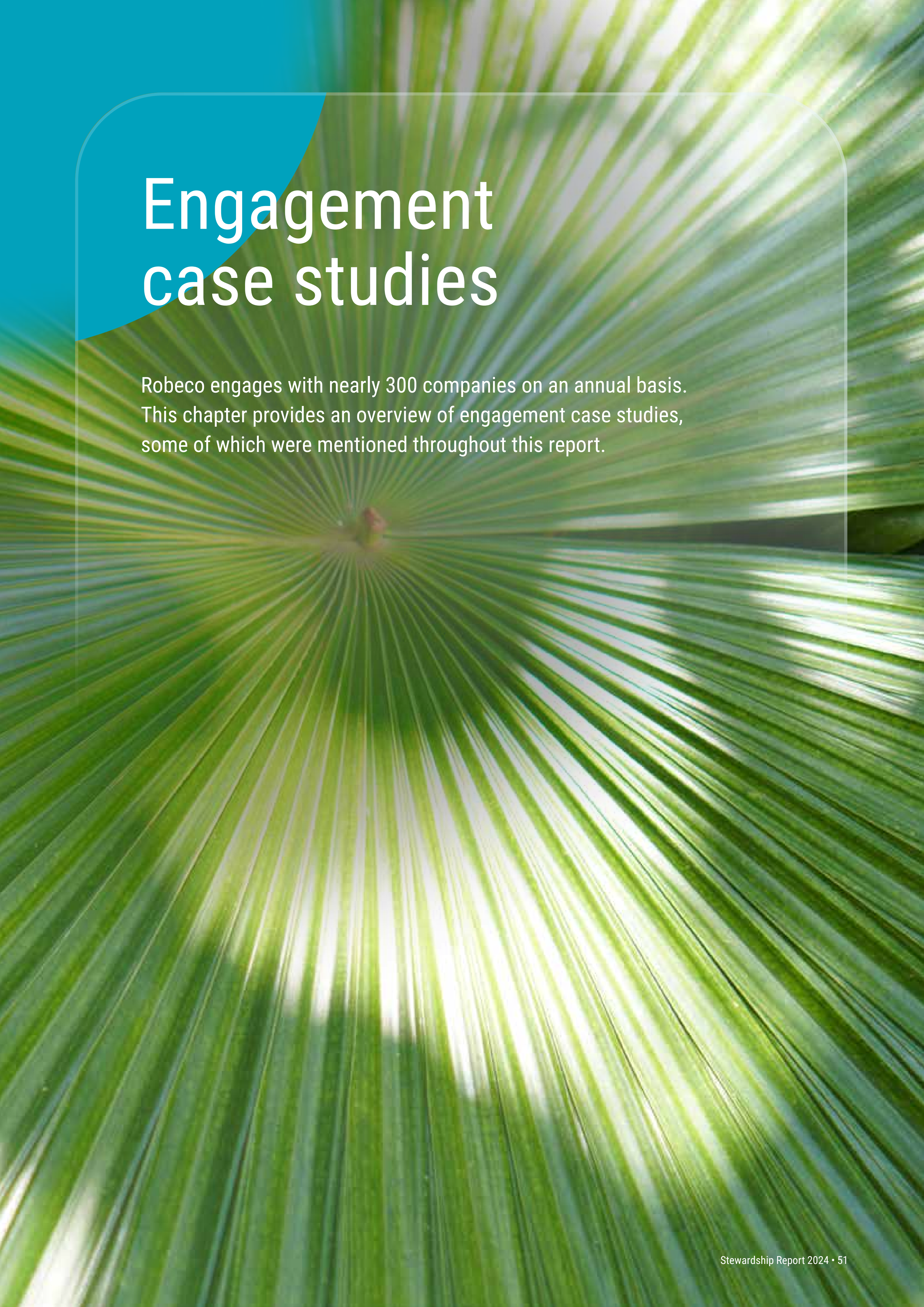
Robeco is selective in which SI memberships, collaboration or commitments to participate. Before joining a new initiative, signing an investor statement, or collaborating with other investors, the engagement specialist will discuss the context, sentiment and added value of the request with the Sustainable Investing management team and the SISC. After approval, we will commence with the initiative.

An overview of our SI memberships can be found here: https://www.robeco.com/files/docm/docu-relevant-codes-and-memberships.pdf

Figure 15 | Public policy engagement

Main topic	Approach	Engagement activities
Climate	Investor letter	We signed a joint-investor letter to the Bank of England that called for the promotion of regulatory capital requirements for banks that reflect climate risks and that support the long-term resilience of the financial industry.
Climate	Investment statement	We supported the Investor Agenda's 2024 Global Investor Statement to Governments on the Climate Crisis, which calls on governments to adopt the climate policies needed to achieve the goals of the Paris Agreement.
Biodiversity/Deforestation	Investor letter	We conducted broader policy engagement on the EU Deforestation Regulation as part of the initiative. In November 2024 we sent a letter to the EU Parliament supporting this regulation and rejecting the European Commission's proposal for a one-year delay in its implementation.
Nature	Investor statement	We also co-signed a joint statement with other investors calling for third-party data providers to provide enhanced ESG data on ocean-related risks to encourage greater investment in ocean health.
UK Stewardship Code	Policy consultation	We participated in the consultation of the proposed revised UK Stewardship Code. We agreed with the majority of the proposed changes to the 2020 Code. We believe that a large part of the revisions will enhance the efficiency of the reporting framework, promote high-quality disclosures, and reduce reporting burden. These revisions will most likley provide greater clarity in distinguishing between the different roles market participants have when exercising stewardship. Our main concern is that the proposed revisions to the definition of stewardship and to the principle concerning the integration of stewardship and investment call into question the financial relevance of environmental and social factors. Therefore, in our feedback, we urged the FRC to maintain the current definition of stewardship and the wording of the principle as provided in the 2020 Code.
Listing requirements for B3	Consultation listing requirements	We provided feedback to the corporate governance listing requirements for the Novo Mercado, the highest listing segment of the Brazilian stock exchange B3. The new requirements set higher expectations for the amount of independent directors on the boards of listed companies, independent audit committees and tenure limits. Most of the proposed suggestions are a step in the direction of better protection for international minority investors. Yet, we suggested to further align with international best practices for corporate governance, including a minimum of 50% independent directors on the board, a term limit of 12 years, and the introduction of claw back provisions for executive remuneration policies.

Main topic	Approach	Engagement activities
Australia	Sovereign engagement	As a part of the Paris Agreement, each country must submit emissions reduction targets known as Nationally Determined Contributions (NDCs). With Australia's second NDCs being due for publication in 2025, the country is approaching an important milestone, driving the agenda of our engagement. Throughout 2023 we held 36 meetings with Australian federal, state and regulatory agencies involved in climate policy decision-making. This created a strong base for our second round of meetings in 2024, with our main objective being to contribute to the National Defined Contribution (NDC) climate policy-setting process that the Australian government is undertaking. In August, we visited Parliament House in Canberra to meet ministers, including the Treasurer for Australia, the Minister for Climate Change and Energy, and other climate policy advisors. We discussed the NDC target-setting process for 2035, as part of which countries need to pledge a new target ahead of COP30 in Brazil in 2025. During our meeting with the Treasurer, we explained that we evaluate the progress of sovereign engagements based on a number of factors. These include the transparency of the government's actions in its green bond impact reporting and budget publications, the design of its climate policy interventions and, above all, the whole-of-government policy integration that leads to clear target-setting. We emphasized the need for an ambitious NDC target. The Treasurer confirmed that over the past two years, much effort had been made to organize the various government departments to help achieve policy coordination on climate change. He also stated that the Treasury is assuming a leadership role in this process as it is important to deliver a budget that underpins all climate policies. The Treasury taking the lead is a strong sign of whole-of-government coordination, one of our most important engagement objectives, for which we see clear progress in Australia.
Indonesia	Sovereign engagement	In 2020, we initiated the engagement with the government of Indonesia on deforestation in collaboration with the Investor Policy Dialogue on Deforestation (IPDD). In 2024, engagement with Indonesian government agencies was slow as the country held a general election, resulting in the appointment of a new cabinet. In February 2025, we traveled to Indonesia with the IPDD to establish relationships with the new administration after the election in 2024 and continue stakeholder engagement in Jakarta.
Brazil	Sovereign engagement	In 2020, we initiated the engagement with the government of Brazil on deforestation in collaboration with the Investor Policy Dialogue on Deforestation (IPDD), of which Robeco is an active member. Over the last couple of years, we have engaged with a diverse array of stakeholders and traveled to the country in 2023. With COP30 hosted in Brazil, in November 2025, there will be a significant opportunity to bring the topic of deforestation to the climate arena with IPDD.



Engagement case studies

Robeco engages with nearly 300 companies on an annual basis. This chapter provides an overview of engagement case studies, some of which were mentioned throughout this report.

P&G: Focused on tackling biodiversity loss

Company name	Procter and Gamble (P&G)
Company description	P&G is an US fast-moving consumer goods company, with prominent brands such as Old Spice, Tide, Head & Shoulders, Oral-B and Gilette.
Form of engagement	Direct engagement with the company, collaborating with other institutional investors as part of co-filing a shareholder proposal
Focus area	Nature
Engagement theme	Biodiversity This engagement work focuses on companies' environmental and social management, with a strong focus on commodity producers' zero deforestation commitments, nature restoration and conservation, and circular economy principles within companies' production lines. An additional objective seeks to address the labor and land rights that underpin deforestation. All companies are engaged on sustainability-related disclosures, including those related to certifications and traceability, and the development of biodiversity impact assessments to determine priorities and baselines. Companies that are not categorized as high-risk commodity producers are more broadly encouraged to develop biodiversity strategies, actively manage their stakeholder relationships, and reflect the management of associated risks in their governance structures.
Reason for engagement (main issues/concerns)	The engagement with P&G was initiated in late 2023 due to concerns about forest degradation in the Canadian boreal forest, where P&G sources wood pulp. The primary objectives were to improve biodiversity impact assessments and develop a robust biodiversity strategy.
Engagement efforts & outcomes	Over the second quarter of 2024 we met several times with P&G to discuss how the company could reduce their exposure to forest degradation risks in the Canadian boreal forest, especially when it comes to its impact on primary forests and the overarching forest landscape. Ultimately P&G's outdated, fragmented disclosures, as well as continuous use of confusing and contradictory statements, led us to co-file a shareholder proposal alongside several US and European peers in April. The proposal requested that "P&G issue a report assessing how its sourcing practices negatively impact the biodiversity and resilience of boreal forests, and if so, to identify and take corrective measures in the board and management's discretion." We challenged the company to evaluate how sourcing risks and impacts could be further improved, ideally by moving away from sourcing from natural forests in the region altogether, e.g. by switching to more recycled material, low impact alternative fibers or planted forests. By June 2024, the proposal was withdrawn in exchange for P&G's commitment to enhance disclosures and invest in alternative fibers. The engagement was successfully closed in December 2024, because P&G met our engagement objectives by committing to better transparency and investing in sustainable practices. P&G agreed to enhance its biodiversity impact assessments, strengthen disclosures and invest USD 20 million in alternative fibers.

Sumitomo Corp: Robust coal power exit plan

Company name	Sumitomo Corporation
Company description	Sumitomo Corporation is a Japanese conglomerate that operates various business units: metal products; transportation and construction systems; environment and infrastructure; media, ICT, and lifestyle goods and services; mineral resources, energy, chemical and electronics.
Form of engagement	Direct engagement with the company
Focus area	Climate change
Engagement theme	Acceleration to Paris This theme is focused on companies lagging in their alignment with the Paris Agreement to keep the rise in the average global temperature well below 2°C/1.5°C above pre-industrial levels. Working with the largest emitters in our investment universe, we aim to help them ramp up their decarbonization efforts and set up robust transition plans. Failure to make progress will be regarded as a breach of global standards, with exclusion from our investable universe as a potential consequence.
Reason for engagement (main issues/concerns)	Sumitomo is an example of how companies can reduce their coal power generation. We engaged with the company between 2021 and 2024 where we called on the company to adopt a coal phase-out plan.
Engagement efforts & outcomes	The Japanese firm has committed to not investing any more in thermal coal projects. The final project they were involved in is the Van Fung power station in Vietnam, which was completed in December 2023. Sumitomo withdrew from several coal-fired power station projects in Bangladesh in 2022. The company has a plan for phasing out its thermal coal assets by the late 2040s, with intermediate targets to reduce coal power generation capacity by 60% by 2035 (from 5.4GW to ~2GW). Another noteworthy feature of the decarbonization strategy is the use of agreements with national governments to co-create low-carbon energy infrastructure. Sumitomo has reached an agreement with Indonesia's state-owned power company to accelerate renewable deployment and early retirement of coal. While it is in the early stages of implementation, the agreement has high potential for positive impact in Indonesia, which relies heavily on coal.

BNP Paribas: Banks play a pivotal role in the climate transition

Company name	BNP Paribas
Company description	BNP Paribas is a French bank, and the second largest bank in Europe by assets. The bank's activities are divided into two main brackets: retail banking and services, and corporate institutional banking.
Form of engagement	Collaborative engagement To maximize the effectiveness of our engagement strategy, we collaborate with the Institutional Investor Group on Climate Change (IIGCC), which coordinates a larger investor initiative on banks' climate strategies.
Focus area	Climate change
Engagement theme	Climate transition of financials Our engagement focuses on the climate and nature transition of financial institutions. The main aim is to support financial institutions in managing the emerging climate change and nature-related risks and opportunities, and to prepare them for their and their clients' climate and nature transition.
Reason for engagement (main issues/concerns)	Our engagement focuses on setting investment targets for lending activities in line with the Paris Agreement, setting targets to reduce financial risks as a consequence of climate change and for sustainable financing for a medium horizon (2030).
Engagement efforts & outcomes	BNP Paribas is one of the most advanced banks in terms of climate governance, having committed itself to an ambitious plan for withdrawing from financing coal and other fossil fuels. BNP had already stopped oil project financing in 2016 and ceased all new financing of coal-fired power plant projects in 2017. The bank expects to fully exit from thermal coal in EU and OECD countries by 2030, as well as achieve an 80% reduction in its existing financing for oil exploration and production. In line with the asks under our solid dialogue with the bank, both individually and through the collaborative engagement group via the IIGCC, the bank strengthened its efforts further in 2023 by no longer providing financing dedicated to the development of new oil and gas fields. Furthermore, BNP has obtained positive climate scores under our proprietary Paris Alignment framework and thus we closed our engagement with the company successfully.

Vale: Re-included in investable universe

Company name	BNP Paribas
Company description	Vale S.A. is a Brazilian mining company. The company is the world's largest producer of iron ore and engages in different types of mining and other operations in approximately 30 countries
Form of engagement	Direct engagement with the company
Focus area	UN Global Compact breaches
Engagement theme	Controversial behavior This theme engages in breaches of international standards like the UN Global Compact and OECD Guidelines.
Reason for engagement (main issues/concerns)	The company was on Robeco's exclusion list since 2019, due to breaches of international standards like the UN Global Compact and OECD Guidelines. On an annual basis, Robeco reviews the companies on the exclusion list due to controversial behavior. Based on our assessment, the company appears to have made improvements. At the start of 2024, we started a one-year dialogue with the company with the aim of assessing the eligibility of the company for re-inclusion in Robeco's universe
Engagement efforts & outcomes	We have set ambitious engagement objectives for this one-year period. The company must demonstrate that it is no longer in breach of UN Global Compact principles, with corrective measures and remediation implemented – and full compliance to the Global Industry Standard on Tailings Management. With the company's past track record of two major disasters in mind, we sought the necessary assurance that the company has made substantial improvements. After our intensive engagement, it was decided to lift the exclusion of Vale based on the improvements the company has made over the past years in strengthening its tailings dam management, cleaning the environmental pollutions and remediating the communities affected.

Meituan: Prioritizing health and safety measure for employees

Company name	BNP Paribas
Company description	Meituan is one of the two largest Chinese online food delivery companies.
Form of engagement	Direct engagement with the company
Focus area	Social
Engagement theme	Labor practices in a post covid-19 world This theme is focused on engaging with three key sectors: retail, the gig economy, and hospitality, where the pandemic exposed vulnerability and lack of safeguards for workers.
Reason for engagement (main issues/concerns)	In 2021, Meituan was confronted not only by courier protests but also faced legally mandated labor standard revisions by the Chinese government.
Engagement efforts & outcomes	Through our continued dialogue with the company, we were pleased to see Meituan establish best practice when it comes to aligning its algorithm with health and safety priorities. Over the last three years, Meituan regularly revised its delivery algorithm with a focus on reducing road accidents, embedding more reasonable delivery time limits and routes, as well as amending incentive and penalty structures to no longer incentivize reckless driving. Besides embedding accident insurance coverage for each delivery, the company also included mandatory trainings and delivery restrictions if couriers are flagged repeatedly for road safety violations. Altogether, these measures have already started to reduce accident rates across its workforce.

LyondellBasell: Improving its contributions to SDGs 3, 12, 13 and 15

Company name	LyondellBasell
Company description	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 toward a circular economy.
Form of engagement	Direct engagement with the company
Focus area	Sustainable Development Goals
Engagement theme	SDG engagement This theme is focused on improving a company's contribution to one of the 17 SDGs.
Reason for engagement (main issues/concerns)	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).
Engagement efforts & outcomes	**Climate** LYB is working toward 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 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. • 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, 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 members 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 decarbonizing 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.

IHG: Including key labor practices in human rights policies

Company name	InterContinental Hotels Group
Company description	Intercontinental Hotels Group (IHG) is a British hotel franchise.
Form of engagement	Direct engagement with the company
Focus area	Social
Engagement theme	Labor practices in a post covid-19 world This theme is focused on engaging with three key sectors: retail, the gig economy, and hospitality, where the pandemic exposed vulnerability and lack of safeguards for workers.
Reason for engagement (main issues/concerns)	IHG was struggling at the start of the engagement to identify and manage labor practices among some of its most vulnerable workers; those employed not by IHG, but by third-party service contractors such as cleaning or security firms.
Engagement efforts & outcomes	Addressing this critical and extensively discussed gap in IHG's policies and monitoring systems, we were pleased to see that the company extended its human rights approach to include key labor practices, including freedom of association, wages and working hours, as well as worker health and safety. IHG has since rolled out its 'Responsible Labor Requirements', a set of mandatory labor-related due diligence standards for its managed hotels when working with sub-contractors. It is also planning to conduct regional human and labor rights impact assessments which will guide further action.

Sappi: Good water management, ongoing engagement on biodiversity

Company name	Sappi
Company description	Sappi is a diversified wood fiber company producing pulp, packaging and paper products. Its raw material is sourced from forests and plantations, mostly in South Africa. Its operations are highly dependent on water and have an impact on the rivers near corporate sites.
Form of engagement	Direct engagement with the company.
Focus area	Environment
Engagement theme	Natural resource management Our engagement aims to enhance companies' risk management of water and waste issues and avoid or mitigate adverse environmental impacts.
Reason for engagement (main issues/concerns)	We focused on the topic of water shortages and wastewater discharges, highlighting the potential risks to the business and local stakeholders.
Engagement efforts & outcomes	In May 2023, the company presented a new Group Water Stewardship Policy, in which Sappi committed to developing water management plans to enhance the protection of water resources and to improve the quality of wastewater discharge. As more biodiversity topics beyond water and waste should be discussed, we continue our engagement under the biodiversity theme.

Severn Trent: From water pollution to progress

Company name	Severn Trent
Company description	Severn Trent is a British water company, supplying 4.6 million households and business across the Midlands and Wales.
Form of engagement	Direct engagement with the company.
Focus area	Environment
Engagement theme	Natural resource management Our engagement aims to enhance companies' risk management of water and waste issues and avoid or mitigate adverse environmental impacts.
Reason for engagement (main issues/concerns)	Its peers in the industry have come under severe pressure over poor performances in tackling leaks and sewage contamination, as is shown also in the Environmental Performance Assessment (EPA) report from 2022. English water and sewerage companies are in general struggling to improve their performances. We started our engagement on water and waste management with Severn Trent with the aim of supporting management with the ongoing concerns in the UK related to pollution incidents, sewage spillages and river water quality management.
Engagement efforts & outcomes	Over the course of our one-to-one dialogue, the company presented its 2025 reduction targets for both sewage and leakage spills. Severn Trent aims to reduce sewage spillages to an average of 20 per year, while it plans to achieve a 15% reduction in leakages by 2025. The company is already leading the sector concerning 'total and serious pollution incidents,' and these new targets confirm its commitment to remain best in class, leading us to close the engagement successfully.

Heidelberg Materials: Strong human rights policies

Company name	Heidelberg Materials
Company description	Heidelberg Materials is a German building materials company.
Form of engagement	Direct engagement with the company.
Focus area	Human rights
Engagement theme	Human Rights Due Diligence for Conflict-Affected and High-Risk Areas Our engagement is focused on mitigating exposure to human rights violations by focusing on companies operating in three conflict-affected or high-risk areas.
Reason for engagement (main issues/concerns)	The company has long been under criticism for its various assets in the Occupied Palestinian Territories (OPT) and other disputed areas.
Engagement efforts & outcomes	During our engagement, Heidelberg broadly strengthened its human rights systems. Crucially, this included transparent performance tracking, from disclosing the activity and outcomes of their grievance hotline, to monitoring CAHRA-specific risk indicators. While there are aspects they are still trying to scale, Heidelberg has taken impressive steps to clearly communicate, track, and regularly review the effectiveness of its conflict-sensitive human rights management approach.

Fast Retailing: Strengthened remediation mechanisms

Company name	Fast Retailing
Company description	Fast Retailing is a Japanese apparel company.
Form of engagement	Direct engagement with the company.
Focus area	Human rights
Engagement theme	Human Rights Due Diligence for Conflict-Affected and High-Risk Areas Our engagement is focused on mitigating exposure to human rights violations by focusing on companies operating in three conflict-affected or high-risk areas.
Reason for engagement (main issues/concerns)	The company has been linked to allegations through its subsidiary Uniqlo, of potentially sourcing cotton materials or products tainted by forced labor in Xinjiang.
Engagement efforts & outcomes	Over the three years of engagement, Fast Retailing strengthened its remediation mechanisms by improving accessibility through multiple channels directly and indirectly from lower-tier suppliers and outside stakeholders. The company enhanced quantitative and qualitative disclosures on complaints received, and evaluated the effectiveness of its current grievance structure with stakeholder inputs. Through these improvements, Fast Retailing ensured better accessibility and trust into the mechanisms, demonstrating a responsiveness to ensure capturing any significant complaints from the factory floor.

REA Holdings: Leader in sustainable palm oil

Company name	REA Holdings
Company description	REA Holdings is a UK-listed palm oil producer operating in Indonesia.
Form of engagement	Direct engagement with the company
Focus area	Environment
Engagement theme	Palm oil This theme is addressing both the environmental and social challenges of palm oil and aligning with the best practices of the RSPO.
Reason for engagement (main issues/concerns)	The company did not meet our RSPO certification criteria and were therefore subject to our enhanced palm oil engagement program.
Engagement efforts & outcomes	REA Holdings is demonstrating strong sustainability leadership. The company surpassed the threshold of 80% RSPO certification and is fully compliant with the EUDR, positioning itself ahead of industry peers. Through its Smallholder Inclusion for Ethical Sourcing (SHINES) program, REA supports 600 smallholders in achieving RSPO certification and regulatory compliance. In this program, the company collaborates with buyers and stakeholders to improve transparency and to facilitate smallholder certification. Additionally, REA has implemented the TCFD framework and committed to science-based targets under the SBTi. Its commitment to biodiversity protection includes long-term research partnerships, organic fertilizer adoption and carbon reduction strategies. By prioritizing conservation and regulatory compliance, REA is strengthening its market position while fostering environmental stewardship and responsible sourcing.

Rio Tinto: Engaging on climate and nature topics

Company name	Rio TInto
Company description	Rio Tinto is a British-Australian multinational that is the world's second largest metals and mining corporation. In addition to mining, it also has significant operations in refining and processing metals, particularly aluminium and iron ore.
Form of engagement	Collaborative engagement Robeco is the co-lead of the Climate Action 100+ engagement group focusing on Rio Tinto.
Focus area	Sustainable Development Goals
Engagement theme	SDG Engagement This theme is focused on improving a company's contribution to one of the 17 SDGs.
Reason for engagement (main issues/concerns)	Under our SDG framework the company has low negative impacts on SDG 14 (Life below water), SDG 15 (Life on land), and SDG 6 (Clean water and sanitation) due to the impacts of their mining activities. Thanks to providing a range of materials for industrial uses the company also has low positive scores for SDG 11 (Sustainable cities and communities), and SDG 9 (Industry, innovation and infrastructure).
Engagement efforts & outcomes	The company has significant operational emissions due to their ownership of aluminium smelting assets as well as mines, however these only make up ~5% of their total carbon footprint. The company has set an ambitious target to reduce their operational emissions by 50% by 2030, en route to net zero by 2050. Despite initial challenges that mean they may not meet their 2025 15% reduction target, their focus on renewables Power Purchasing Agreements, biofuels, and nature-based solutions has given them a clear path for the next few years, spending $5-6bn in capex in the process. The processing of iron ore into steel makes up the majority of their scope 3 emissions, with alumina and bauxite processing also a significant contributor. Despite being produced by high carbon activities, these commodities do not face the same transition risks as oil and gas, and will play a role in a future lower carbon economy. With this in mind the company has not set a scope 3 target, but is increasingly demonstrating how they are working with customers to develop technologies that will enable them to reduce processing emissions, cutting Rio Tinto's scope 3 footprint. They are also investing in future-facing commodities like copper and lithium, which will enable them to capture some of the growing demand for transition metals to fuel low carbon technologies. We have also spoken to the company about nature-related issues, including the use of Nature Based Solutions on their land, which could enhance physical resilience, local biodiversity and provide other ecosystem services. Water consumption in certain areas of operation has also been discussed, with the company facing ongoing questions over the impacts of their consumption on local communities and ecosystems. They have improved their disclosure on water consumption, but understanding and mitigating wider impacts remains an area for improvement.

TotalEnergies: Field trip to Uganda for insights into operations

Company name	TotalEnergies (Total)
Company description	TotalEnergies (Total) is one of the seven public supermajor oil companies but has started to pursue a multi-energy strategy in recent years. The company also manufactures chemicals and is by far the largest producer of renewable energy among its peer group, a position it is likely to maintain up to 2030.
Form of engagement	Collaborative engagement Robeco became a co-lead for the Climate Action 100+ (CA100+) collaborative engagement of Total at the start of 2024.
Focus area	Sustainable Development Goals
Engagement theme	SDG Engagement This theme is focused on improving a company's contribution to one of the 17 SDGs.
Reason for engagement (main issues/concerns)	The company's fossil fuel refining activities leads to it receiving an overall score of -1 for SDG 7 (Affordable and clean energy) and SDG 13 (Climate action). Climate change and the impact of the energy transition on society (SDG 8 (Decent work and economic growth)) have naturally been the focus of our engagement, though due to the significant impact of energy infrastructure, we have also engaged on biodiversity (SDG 15 (Life on land)).
Engagement efforts & outcomes	We attended the company's ESG day in March 2024, where Total gave a deep dive on its climate strategy, human capital management and the 'Just transition'. The management emphasized that unlike many peers, they have maintained a consistent strategy since 2020, even strengthening their targets in some areas, including adding one to reduce absolute Scope 3 emissions from oil production by 40% by 2030. Total continues to make progress against Scope 1 and 2 and lifecycle carbon intensity targets and appear to be committed to implementing the strategy. Despite this, we raised concerns in a private meeting with the new President for Strategy and Sustainability over Total's ongoing exploration and gas expansion activities, which will maintain high emissions. These were two key factors in us voting against the Say on Climate at Total's 2024 AGM. We have encouraged the company to provide greater granularity on the resilience of its gas investments, to match the detail provided on its oil capex. To further our understanding of the nuances of Total's energy transition approach, we attended a field trip to its Tilenga and East African Crude Oil Pipeline (EACOP) projects in Uganda. These have attracted controversy over their approach to land acquisition, biodiversity impacts and overall emissions. Given the holistic nature of our SDG engagement theme, we must consider the multiple layers of impact, and the development considerations of projects like these. Overall, we believe the company is committed to using these projects to set a new standard for biodiversity management for all Total's operations and in the wider energy sector. The impact of operations and mitigation plans won't become clear for several years, although a report by an independent biodiversity committee is expected imminently, which will aid our assessment of the company's approach and inform further engagement. The projects affect 19,000 households of 'project affected people' (PAPs), requiring significant community engagement efforts. A key theme arising from our discussions with PAPs was that existing support was adequate, but that longer-term transitional help was needed, especially due to recent harvest failures exacerbated by climate change. Some NGOs have highlighted concerns over the Ugandan army's presence around the nearby Kingfisher project, which is majority-owned by Total but operated by China National Oil Offshore Corporation and will provide around 20% of EACOP's throughput. The army has been accused of using intimidation to force communities away from the site. We were unable to corroborate these allegations or visit the Kingfisher site, an issue exacerbated by minimal company disclosure on the Kingfisher project itself, in comparison to the good transparency we have seen regarding Tilenga and EACOP. From a domestic perspective, this project will undoubtedly fuel development and local achievement of the SDGs, exemplified by Total's plan to develop a liquefied petroleum gas plant to provide cleaner cooking fuel to replace the charcoal predominant in East Africa, reducing health problems and deforestation. However, at a macro level we continue to question Total and its peers over the need for new greenfield oil and gas projects, a sentiment aligned with the IEA's net zero scenario. Despite low operational emissions and Total's commitment to cut oil emissions, the Scope 3 impact of this project will be significant. The company has also indicated imminent approval of large oil projects in Brazil, Angola, Suriname and Namibia. Thus, despite evidence of positive activity on the ground in Uganda that could benefit other projects, and consistent progress on the transition in developed markets, we remain wary of a two-speed transition approach and ongoing spending on high-carbon assets.

Salesforce: Leader in responsible AI

Company name	Salesforce
Company description	Salesforce is a leading B2B cloud-based software company specializing in customer relationship management (CRM) solutions. It provides clients with solutions for automation, data analytics and customer engagement. Salesforce is harnessing the current AI trend by deploying the Einstein platform to embed this technology into its products and services. This approach further enhances its value proposition centered around customization and scalability.
Form of engagement	Direct and collaborative engagement with the Ethical AI Collective Impact Coalition (CIC), coordinated by the World Benchmarking Alliance (WBA).
Focus area	Sustainable Development Goals
Engagement theme	SDG Engagement This theme is focused on improving a company's contribution to one of the 17 SDGs.
Reason for engagement (main issues/concerns)	Salesforce has a potential impact on several SDGs. Through its scalable solutions, it democratizes access to advanced CRM tools for small and medium enterprises (SMEs). This is particularly relevant from the perspective of SDG 8 (Decent work and economic growth). Customer management activities are highly data-intensive, as sensitive information on customers is collected, analyzed and then used to inform decision-making. The topic is particularly delicate when it comes to AI models, whose outcomes are highly dependent on the quality of the data used to train it. SDG 16 (Peace, justice and strong institutions) is therefore particularly relevant, considering the need to adhere to data and privacy regulations. The deployment of AI not only calls for increased attention to data privacy, but also to human rights. Specifically, AI carries the risk of amplifying existing inequalities due to biases in the training data, with implications for SDG 5 (Gender equality) and SDG 10 (Reduced inequalities). Finally, the current and expected growth of AI capabilities will lead to increased energy consumption, with implications for SDG 7 (Affordable and clean energy) and SDG 13 (Climate action). Salesforce plays a positive role in this context by developing energy-efficient AI models.
Engagement efforts & outcomes	We have built a good relationship with Salesforce over the last three years of engagement, speaking with different people in the company's organizational structure and building mutual trust over time. Given the centrality of AI in our discussions, we decided to conduct part of our engagement jointly with the Ethical AI Collective Impact Coalition (CIC), coordinated by the World Benchmarking Alliance (WBA). The group seeks to encourage companies to implement policies and mechanisms to ensure the ethical development and application of AI, guided by respect for human rights. Salesforce has improved its approach and transparency around AI, and has become a leader in responsible AI. Back in 2022, we asked for the development of a company-wide policy explicitly committing to human rights principles, with a focus on user data and AI. Salesforce has defined an ethical AI framework, and we spoke with their Chief Ethical and Humane Use Officer about how they concretely implement those principles in their day-to-day operations. We were pleased to learn that the company has strict red lines, defining products or solutions that it will not develop for clients. Moreover, human rights impact assessments are regularly performed, both in-house and with the support of external consultants. A recent follow-up discussion with the Chief Ethical and Humane Use Officer helped us understand in further detail the techniques used to test AI products, such as adversarial testing and mindful friction. Additionally, Salesforce's approach to AI mitigates several risks of this technology, especially in relation to safety and climate impact. The company's models have a narrower scope of application than the (relatively) more general AI models developed by others, as they are designed to be deployed by customers for very specific uses related to their CRM. This task specificity allows them to consume less energy and produce more tailored outcomes, with a lower risk of generating uncontrolled harmful content. We are satisfied with the relationship developed with Salesforce. Not only does it allow us to collaborate to advance responsibility and ethics in the development of AI, but it also enables us to learn about best practices that can be suggested to other companies, thus promoting an industry-wide lever for change.

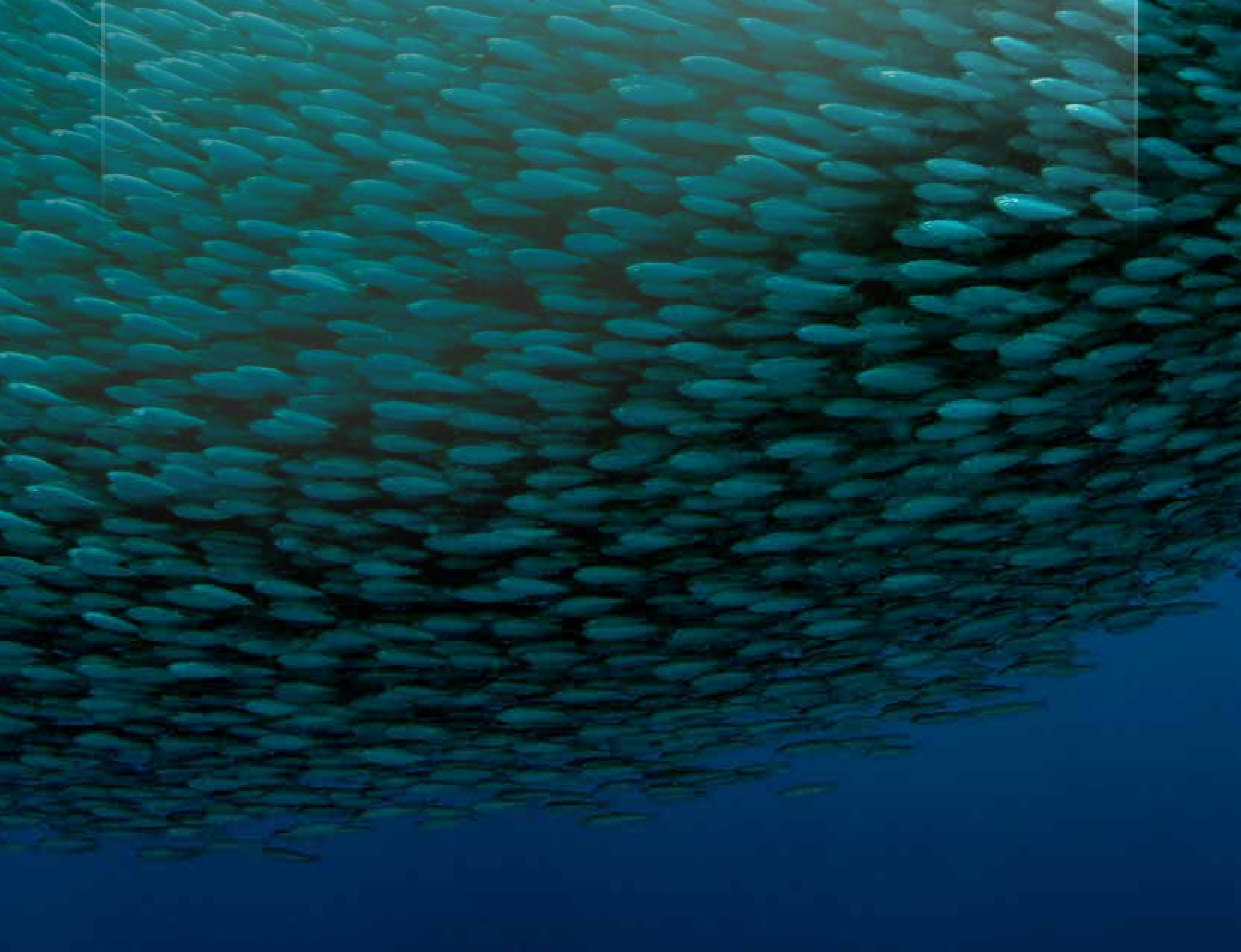
Australia: Engaging the Australian government on climate action

Country	Australia
Form of engagement	Robeco is involved in collaborative investor dialogues with Australia, coordinated by the PRI-led Collaborative Sovereign Engagement on Climate Change.[18] Robeco has been engaging with Australia on climate change since 2022.
Focus area	Climate change
Engagement theme	Sovereign engagement Active policy dialogue with government authorities and other stakeholders to support them in achieving the SDGs. Main goals are to highlight public policy gaps, test environmental safeguards & coordinate policy dialogue to mitigate risk.
Reason for engagement (main issues/concerns)	National policy commitments on climate serve as a guidepost to companies as they set their climate action plans, and management of climate risks could define sovereigns' competitive position in the long term. With Australia being one of the largest coal exporters in the world, Robeco in 2021 co-founded the 'Collaborative Sovereign Engagement on Climate Change with Australia' under the UN PRI.
Engagement efforts & outcomes	As a part of the Paris Agreement, each country must submit emissions reduction targets known as Nationally Determined Contributions (NDCs). With Australia's second NDCs being due for publication in 2025, the country is approaching an important milestone, driving the agenda of our engagement. Throughout 2023 we held 36 meetings with Australian federal, state and regulatory agencies involved in climate policy decision-making. This created a strong base for our second round of meetings in 2024, with our main objective being to contribute to the National Defined Contribution (NDC) climate policy-setting process that the Australian government is undertaking. In August, we visited Parliament House in Canberra to meet ministers, including the Treasurer for Australia, the Minister for Climate Change and Energy, and other climate policy advisors. We discussed the NDC target-setting process for 2035, as part of which countries need to pledge a new target ahead of COP30 in Brazil in 2025. During our meeting with the Treasurer, we explained that we evaluate the progress of sovereign engagements based on a number of factors. These include the transparency of the government's actions in its green bond impact reporting and budget publications, the design of its climate policy interventions and, above all, the whole-of-government policy integration that leads to clear target-setting. We emphasized the need for an ambitious NDC target. The Treasurer confirmed that over the past two years, much effort had been made to organize the various government departments to help achieve policy coordination on climate change. He also stated that the Treasury is assuming a leadership role in this process as it is important to deliver a budget that underpins all climate policies. The Treasury taking the lead is a strong sign of whole-of-government coordination, one of our most important engagement objectives, for which we see clear progress in Australia. For more information, please refer to Robeco's Active Ownership report Q3 2024: https://www.robeco.com/en-int/insights/2024/10/forever-and-a-day-phasing-out-dangerous-chemicals.

[18] The Collaborative Sovereign Engagement on Climate Change is a pilot Principles for Responsible Investment (PRI)-led investor initiative to help governments to act on climate change. The engagement with Australia consisted of 25 international investors that were collectively responsible for USD 8 trillion of assets under management as at May 2024.

How we voted

Robeco currently votes on behalf of clients at nearly 7,000 meetings per year. While we have given insights into theme-specific voting activities in the other sections, this section provides a deep dive into spotted trends in 2024, as well as the meetings we regarded as the most significant.



2024 voting season

The days when all annual general meetings passed by quietly with approval rates in the high nineties are behind us. In the last two decades, regulators have provided institutional investors with more rights and responsibilities in order to take a more prominent role in addressing systemic risks, as well as to monitor companies and address issues in line with their long-term interests. The debates during the AGM season have increasingly become a reflection of issues in the economy and society at large. That also means that many AGM resolutions and the related topics under debate are complex; institutional investors might not agree with each other on a variety of topics, let alone with other stakeholders.

One such topic is climate change, where the friction between longer-term ambitions and short-term challenges is complicating discussions on progress. At the same time, companies are faced with conflicting messaging from their shareholders; on one hand, there are shareholders who push for progress on sustainability topics such as biodiversity and human capital, but on the other hand there are also shareholders who are vocally pushing back on these trends. Several larger companies are also openly more critical toward their shareholders. In one case, a company even sued its shareholders to block their proposal from reaching the proxy statement. For the shareholder meetings that have been at the center of attention, the debate seems to be getting harsher and more polarized, which generally is not helpful in making progress.

Yet, there is also plenty to be optimistic about. In the vast majority of cases, the AGM offers the perfect opportunity to discuss progress on the company's incentive structures, progress on sustainability targets, new nominations to the board and the management team and capital allocation priorities. In these discussions, we note companies are working on implementing required sustainability disclosures in Europe, while in Japan we start to see more and more results from a decade of corporate governance reform. In the US, the universal proxy card is starting to be used, allowing for a more flexible approach toward board nominations.

We attended several meetings in person, and the discussions leading up to those events proved to be very fruitful. The vast majority of our voting has been done via proxy, yet also in these instances there is plenty of interaction with companies. We make sure to actively share feedback with the most relevant companies in our voting scope. For companies that we have identified that need to improve practices on climate change, biodiversity and social topics, we write letters early in the year to make sure that we can have discussions on the key topics before voting. We do the same for a large number of other topics, including potential improvements in incentive structures, expectations on board composition, disclosures on governance topics, and when we support shareholder resolutions, if they address material sustainability issues in the company.

Trends in 2024

A few trends we've seen, in no particular order:

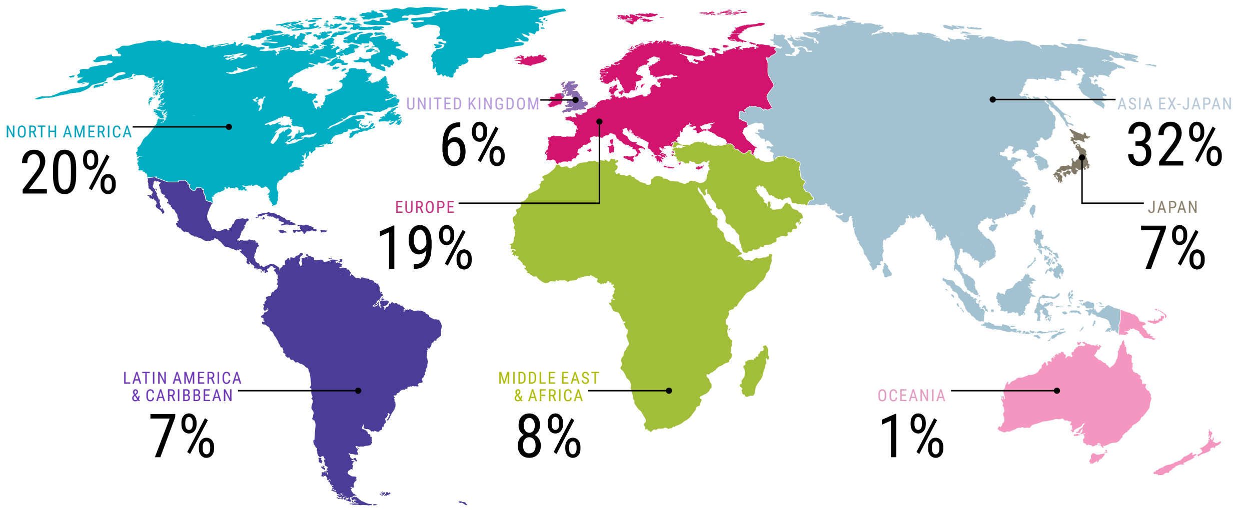
- Growing debate over executive pay in the US and beyond after a Delaware court invalidated a USD 55.8 billion payout by Tesla to its founder and controlling stockholder Elon Musk after concluding that the "unfathomable sum" was unfair to shareholders. In our engagement with companies, we already see the impact – companies from around the world are defending high pay packages to their CEOs by arguing that these are still low in comparison to Mr. Musk's pay.
- Increase in nature-related proposals in the US, with a novel type of proposal requesting biodiversity impact assessments being submitted at multiple companies.
- Exxon's unexpected lawsuit against Follow This and Arjuna Capital, which set a dangerous precedent that will surely have a significant impact the proxy season to come.
- Rise in anti-ESG proposals in the US, showcasing the growing divide over ESG priorities.
- AI-related proposals were among the most highly supported proposals on social topics in the US.
- Continued debate on the competitiveness of UK executive pay. In this context, several companies looked to amend their remuneration policies to introduce so-called hybrid plans, which incorporate both performance and restricted shares in an effort to make their executive pay packages more attractive for US executives.
- Stronger focus on inefficiencies in companies' balanace sheets in a large number of shareholder proposals in Japan and South Korea, showing that capital efficiency remains top of mind not only for local regulators but also for investors.
- Debate over shareholder rights in Continental Europe. Most Italian companies held AGMs in a 'closed door' format (whereby meetings are convened and held with the exclusive participation of a company-designated shareholder representative). In France, TotalEnergies was sued after it refused to table a climate-related shareholder proposal.

Voting activity in 2024

In 2024 we voted on 67,757 proposals at 6,655 shareholder meetings in 75 countries. As was the case in 2023, many shareholder proposals were filed at shareholder meetings during the first half of 2024 and we continued to vote on numerous ESG-related shareholder resolutions covering a range of topics.

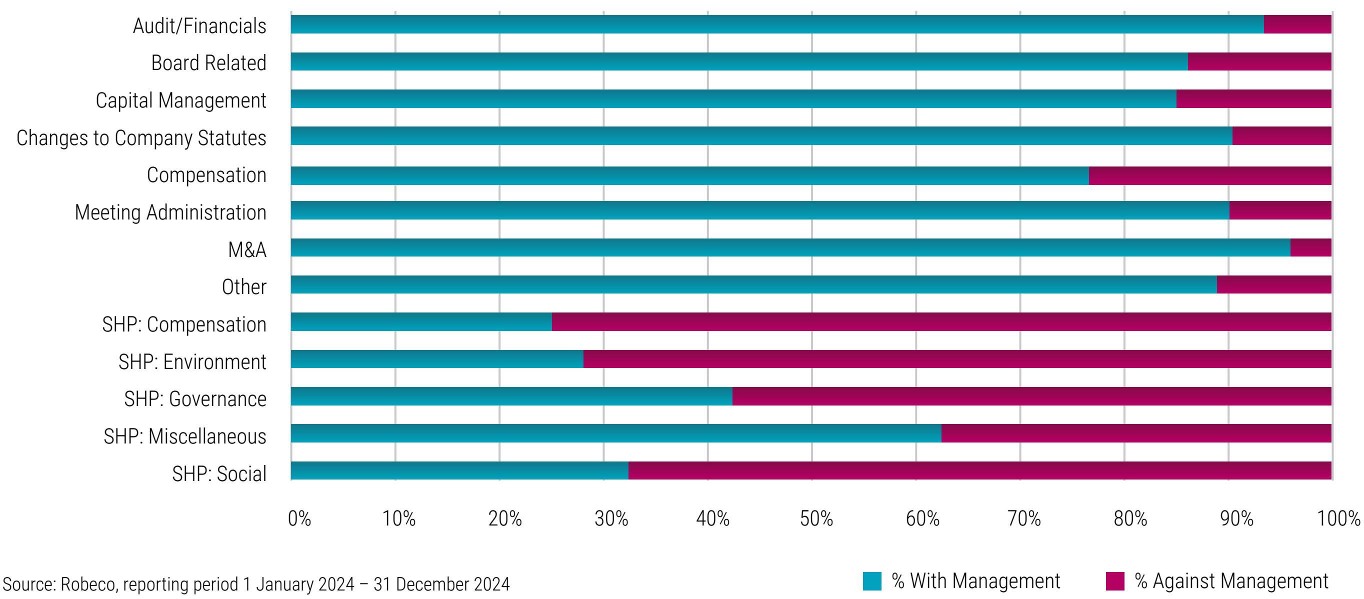
Figure 16 | Proxy voting statistics 2024

6,655	67,757	56%	60%
Shareholder Meetings voted in 2024	Proposals voted in 2024	% Meetings with at least 1 vote against management	Support for Shareholders Proposals voted in 2024



Source: Robeco, reporting period 1 January 2024 – 31 December 2024

Figure 17 | Voting activity by topic 2024



Source: Robeco, reporting period 1 January 2024 – 31 December 2024

Key votes 2024

Before and during every proxy season we maintain a list of focus AGMs. In other words, AGMs that receive significant client interest, or news flows, are specific relevance due to current market conditions or societal developments, or where shareholders show significant opposition to management. These AGMs are selected based on stakeholder feedback, including questions from our clients, attention in the media, and AGMs that led to internal debate. For additional insights into how we applied our voting policy at various shareholder meetings, please refer to our Proxy Voting Season Overview 2024.

Below a write up of our voting decisions on some of the most significant votes throughout the year.

APPLE INC.
28 February 2024

Proposals: Election of Directors, Advisory Vote on Executive Compensation, Shareholder Proposal Regarding Report on Use of Artificial Intelligence and Shareholder Proposal Regarding Median Gender Racial Pay Equity Report.

Apple Inc. designs, manufactures, and markets smartphones, personal computers, tablets, wearables, and accessories worldwide.

At the 2024 AGM of Apple, shareholders had the opportunity to vote on a number of routine agenda items, including director elections and executive compensation, as well as five shareholder proposals, two of which were particularly noteworthy. When evaluating the proposed composition of Apple's board of directors, we noted that the chairs of the audit and compensation committees had served on the board for more than 12 years. We believe that excessive tenure can compromise the objective judgment of otherwise independent directors. Therefore, the proposed board composition raised concerns as we did not consider the long-tenured nominees to be suitable for chairing two of the board's key committees. We expressed these concerns by voting against the election of the chair of the nomination committee. In recent years, Apple's Say on Pay proposals have attracted significant attention due to the soaring heights of the CEO's payouts. This year, however, the CEO's compensation was greatly reduced compared to previous years, which we viewed positively. Nevertheless, when analyzing the executive compensation policy, we identified multiple structural concerns, including the long-term incentive plan being based on a single metric, significant awards for below-median performance relative to peers, a lack of clear and objective ESG metrics that are material to the company's strategy, and the short vesting period for the time-based long-term awards of less than three years. Despite the target payout reduction, we believe that these structural issues, paired with the still significant height of the CEO's remuneration, warranted a vote against this year's remuneration proposal. This year's agenda also featured two notable shareholder proposals on the use of artificial intelligence, as well as median gender and racial pay equity, both of which we deemed supportable. Regarding the shareholder proposal on the use of artificial intelligence, we concluded that it addresses a material risk for the company, as the rapid adoption of AI technology in business has raised significant social issues regarding its ethical development and deployment. Therefore, we believe that the additional disclosures requested in the resolution would be beneficial to shareholders by increasing transparency on how Apple is currently using AI technology and how the company makes sure that this is done in a responsible manner. Additionally, we believe that companies which fail to address Diversity and Inclusion (D&I) issues may face reputational, regulatory, and financial risks. Upon assessing the shareholder proposal on median gender and racial pay equity, we determined that it addresses a material topic for the company and that the additional disclosures requested by the proponent would allow investors to better assess how Apple is performing on this topic. As mentioned in the resolution, the company reports on adjusted pay gaps, but not on unadjusted gaps, which assess equal opportunity to high-paying roles. Both shareholder proposals received strong support from shareholders, as the proposal on the use of AI received 37.5% of votes cast in favor, while the resolution on gender and racial pay equity received 31.1%.

BERKSHIRE HATHAWAY INC.
4 May 2024

Proposals: Director Elections and Shareholder Proposal Regarding Climate Report.

Berkshire Hathaway Inc., through its subsidiaries, engages in the insurance, freight rail transportation, and utility businesses worldwide.

At the 2023 AGM of Berkshire Hathaway, a majority of unaffiliated shareholders approved an annual frequency for the company's non-binding advisory vote on executive compensation. However, the board decided to conduct advisory votes on a triennial basis. Moreover, in 2021, 2022 and 2023, a majority of unaffiliated shareholders supported a shareholder proposal requesting Berkshire Hathaway to publish an annual climate risks and opportunities assessment. Given the company does not disclose any information concerning its engagement with shareholders, on these or any other matters, it is unclear to what extent, if any, Berkshire Hathaway has engaged with shareholders to understand their perspectives. Without any display of such engagement, we are concerned that shareholders' voices are being ignored both via their votes and via the engagement process. We view this as a significant governance failure and decided to vote against all members of the governance committee during this year's AGM. In light of the above, our vote against the re-election of Berkshire's chair and CEO for failing to sufficiently address the impact of climate change on the company's business for the fifth year in a row, and the fact the company has been unresponsive to our engagement requests, Robeco co-filed a shareholder resolution in relation to Berkshire's fully owned subsidiary, Berkshire Hathaway Energy (BHE). The proposal requested disclosures around greenhouse gas (GHG) emissions data by scope, as well as progress toward its net-zero decarbonization goal, for BHE. Despite the proposal only receiving 17.7% shareholder support, we continue to work on establishing contact with Berkshire Hathaway and its Energy subsidiary.

CHUBB LIMITED
16 May 2024

Proposals: Executive Compensation, Shareholder Proposal Regarding

Disclosure of GHG Emissions and Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report.

Chubb Limited provides insurance and reinsurance products worldwide.

The 2024 AGM of Chubb Limited took place on May 16, and from the meeting agenda we will highlight three notable proposals. These include the advisory vote on executive compensation, and two shareholder proposals regarding the disclosure of greenhouse gas (GHG) emissions and a report on median gender and racial pay equity. When analyzing the company's Say on Pay proposal we identified multiple concerns, which were exacerbated by this year's substantial payout for the company's chairman and CEO, valued at approximately USD 27 million. These included the discretionary nature of the short-term incentive plan, vesting of awards for below-median performance, and the absence of material, clear and quantifiable ESG metrics. The company's remuneration policy significantly deviates from best practice, and we believe that the structure of the plan does not sufficiently ensure an adequate alignment between executive and shareholder interests. In light of the above, we decided to vote against this year's executive compensation proposal. Regarding the shareholder proposal on disclosure of GHG emissions, the proposal requested that the company disclose the greenhouse gas emissions from its underwriting, insuring, and investment activities. We believe that climate change is a prominent challenge of our times, and that financial institutions have a significant role to play in enabling the transition to a low-carbon future. We supported this proposal, as we determined that the disclosures requested would allow shareholders to better assess the company's climate profile and associated risks. This proposal was supported by 28.3% of votes cast. Lastly, the shareholder proposal on median gender and racial pay equity requested that the company report on both quantitative median and adjusted pay gaps across race and gender. We believe that racial and gender pay gaps are an area of increased concern and focus for investors, and that pay discrepancies have raised reputational, regulatory, financial, and legal risks for companies. Therefore, we voted for this proposal, as the disclosures requested would help stakeholders better assess the company's pay practices. This proposal was met with 26.6% support from shareholders.

CITIGROUP INC.

30 April 2024

Proposals: Executive Compensation, Director Elections and Shareholder Proposal Regarding Report on Human Rights Standards for Indigenous Peoples.

Citigroup Inc., a diversified financial services holding company, provides various financial products and services to consumers, corporations, governments, and institutions in North America, Latin America, Asia, Europe, the Middle East, and Africa.

Citigroup's 2024 AGM agenda included management proposals covering director elections, the auditor's ratification, executive compensation, an amendment to the stock plan, and five shareholder proposals.

As part of Robeco's integration of climate considerations into our voting approach for financial institutions, we assessed Citigroup as a company that was not sufficiently managing climate-related risks and opportunities. For this reason, we voted against the re-election of the governance committee chair. Moreover, we voted against the chair of the remuneration committee, for the fourth year in a row, due to persistent concerns regarding the company's compensation practices. Indeed, we did not find this year's remuneration plan supportable, as the company failed to meet our minimum criteria related to remuneration structure and transparency.

In addition, Citigroup awarded an excessive sign-on package to its new head of wealth, granting him guaranteed incentive compensation of USD 11 million, on top of the award made to replace forfeited equity from the prior employer.

Finally, a shareholder proposal asking the company for a report on human rights standards for Indigenous Peoples caught our attention. Indeed, for the third year in a row, the proponents requested the company to report on how its policies and practices respect internationally recognized human rights standards for Indigenous Peoples. Hence, we voted in favor of this proposal, as additional transparency on this topic would allow shareholders and other stakeholders to better assess how effective the bank's policies are, particularly considering concerns that Citigroup continues to finance companies failing to meet the international standard of free, prior, and informed consent (FPIC) with affected tribes.

EXXONMOBIL CORPORATION

29 May 2024

Proposals: Director Elections and Shareholder Proposal Regarding Virgin Plastic Demand.

Exxon Mobil Corporation engages in the exploration and production of crude oil and natural gas in the United States and internationally. It operates through the upstream, energy products, chemical products, and specialty products segments.

ExxonMobil's 2024 AGM caused an ongoing discussion over the company's decision to sue its shareholders Follow This and Arjuna Capital in an attempt to block their climate-related proposal from going to a vote. The proposal requested that ExxonMobil set a target to reduce Scope 3 emissions, which represent up to 85% of the carbon footprint. The company justified its unusual decision to bypass the US Securities and Exchange Commission (SEC) and take direct legal action to block the resolution by arguing that the current process to get proposals excluded is flawed. In our view, this approach of taking shareholders to court raises significant governance concerns, as it is likely to make shareholders hesitate to exercise their rights. For this reason, as well as the company's continued failure to adequately address the impact of climate change on its business, we voted against the combined CEO-chairman and the lead independent director who also is the governance committee chair at the 2024 AGM. In addition, we signed a statement arguing the SEC should continue to be the preferred arbiter of shareholder proposals.

An interesting environmental-related shareholder proposal that did reach the ballot addressed virgin plastic demand. The resolution asked the company to assess the impact of a scenario in which plastic consumption, and therefore virgin plastic production, falls significantly due to efforts to tackle the plastic pollution crisis.
Given Exxon's current significant virgin plastic production capacity and plans to shift more oil into petrochemicals in the future as energy-related demand for oil falls, this scenario would pose stranded asset risks for their petrochemicals division. As policymakers and corporate customers are increasingly focused on tackling plastic waste, including through the UN Plastics Treaty, it is conceivable that demand for virgin plastics may fall. Therefore, we find this resolution to be both prudent and reasonable, as better understanding the resilience of Exxon's plastics assets and the impact of this scenario on their overall financial position is in the interest of all shareholders.

Despite leadership shown by a group of large asset managers and owners, shareholders overall approved all management proposals without any shareholder proposal gaining majority support. The shareholder proposal regarding virgin plastic demand gained the highest support rate with 20.8%.

META PLATFORMS INC.
29 May 2024

Proposals: Director Elections, Amendment to Equity Incentive Plan, Shareholder Proposal Regarding Recapitalization, Shareholder Proposal Regarding Report on Prohibiting Political Advertising and Restoring Enhanced Actions and Shareholder Proposal Regarding Disclosure of Vote Results by Share Class.

Meta Platforms, Inc. engages in the development of products that enable people to connect and share with friends and family through mobile devices, personal computers, virtual reality headsets, and wearables worldwide.

Meta's most recent AGM saw many shareholder proposals re-emerge on the ballot, with most of the ten proposals covering three key topics: AI, human rights, and social impacts, often addressing the intersection between these themes. A new proposal this year requested the company to prepare an assessment and report the benefits and drawbacks of prohibiting all political advertising on its platforms and restoring the type of enhanced actions put in place during the 2020 election cycle. The context behind the proposal is the key role Meta's platforms are said to play in the amplification of false and divisive information which influence political elections. As we agree this exposes the company to risks, we decided to support the proposal. Separate to issues of its platforms' impacts, the voting powers associated with Meta's dual-share class triggered votes across both management and shareholder proposals this year. Over the last three years, independent shareholders – including ourselves – have expressed wide support for both share classes to have one vote per share at shareholder meetings. The company has not sufficiently addressed the proposal despite minority shareholders' support, for which we held the chair of the governance committee responsible. In addition, we supported two shareholder proposals: the repeated request to recapitalize the share classes to have equal voting powers per share, and another proposal requesting the company to disclose vote results of both share classes, to shed light on the support rates of minority shareholders.

SHELL PLC
21 May 2024

Proposals: Say on Climate and Shareholder Proposal Regarding Scope 3 GHG Target and Alignment with Paris Agreement.

Shell plc operates as an energy and petrochemical company in Europe, Asia, Oceania, Africa, the United States, and the rest of the Americas.

Shell's 2024 AGM took place on 21 May, and because of the company's good corporate governance practices, we supported almost all of the management resolutions on the agenda. Yet, similarly to previous years, the topic of climate change took center stage. The company asked for shareholder approval on its report on progress and the updated 2024 Transition Strategy. Changes to the company's most recent strategy include the removal of a 2035 target to cut Scope 1, 2 and 3 net carbon intensity by 45% and lowering its 2030 net carbon intensity target. A shareholder proposal co-filed by various institutional investors attracted significant attention, as it requested the company to increase its efforts and align its medium-term Scope 3 emissions reduction targets with the Paris Climate Agreement. Leading up to the AGM, the company defended its proposed transition plan and urged shareholders to vote down the shareholder proposal, claiming that it would have a negative impact on the climate and it was against good governance and the interests of its shareholders and customers. At Robeco, we support the objective of the Paris Agreement to limit global warming to well below 2 °C above pre-industrial levels, and preferably to 1.5 °C, due to the significantly increased societal and financial risks posed by warmer pathways. Additionally, we acknowledge Shell's position as a relative leader in the sector, but we remain concerned over the lack of clear absolute emissions reductions that their targets will achieve, particularly due to the ongoing significant growth of their gas business, which has the potential to outweigh reductions in emissions from oil products. We believe that this will retain transition risks in the medium-term as well as locking in emissions for the company and host nations. The removal of the 2035 target and amendments to the 2030 target also indicate a less clear pathway to net zero and the need for more drastic, disruptive action in the medium-long term. After analyzing Shell's transition plan, we concluded that the company needs further action to align with the Paris agreement. Therefore, we decided to vote against the Say on Climate proposal and to support the shareholder proposal. Shell's 2024 energy transition strategy received 78% support from shareholders, while the climate shareholder proposal received 18.6%.

TESLA INC.

13 June 2024

Proposals: Redomestication from Delaware to Texas and Approval of Stock Option Award to CEO.

Tesla, Inc. designs, develops, manufactures, leases, and sells electric vehicles, and energy generation and storage systems in the United States, China, and internationally. It operates in two segments, automotive, and energy generation and storage.

Tesla's 2024 AGM marked a turning point for the automaker. The meeting agenda included both management and shareholder proposals addressing a wide range of topics, yet two resolutions were touted by Tesla as critical for its future - the proposal to ratify Elon Musk's 2018 CEO Performance Award and a proposal to reincorporate Tesla from Delaware to Texas. The vote on the 2018 stock performance award was viewed by many as a landmark decision that could have far-reaching implications on executive remuneration in the US and beyond. The award, which had an intrinsic value of approximately USD 45 billion as of April 2024, was voided in February 2024 by a Delaware court which concluded that Musk dominated the "deeply flawed" process by which Tesla's board approved the plan. Tesla openly stated it disagrees with the Delaware Court decision and asked that shareholders vote to reinstate the award which had secured approval at the 2018 special meeting, highlighting that the treatment of the ratification under Delaware law could not be predicted with certainty. The redomestication proposal attracted an equal level of controversy due to, among other things, concerns that Elon Musk may have an interest in reincorporating to Texas given that future compensation decisions would be governed by Texas law. In order to decide our vote on the proposals, we had a call with Tesla and gained input from various internal stakeholders, including portfolio managers and sustainable investing research analysts. We concluded that a vote against the 2018 CEO performance award was warranted, given that the award failed to meet our minimum criteria related to pay quantum and raised governance concerns. The proposal was approved by 72% of the votes cast, excluding votes owned by Elon and Kimbal Musk. Furthermore, we concluded that the risks associated to the reincorporation to Texas outweighed the benefits, particularly given that Texas business courts are new, have less existing case law, and have not yet addressed critical issues that have long been addressed in Delaware, such as public company conflicted controller transactions. We therefore voted against the redomestication proposal, which was approved by 84% of the votes not owned by Elon or Kimbal Musk.

WALMART INC.

5 June 2024

Proposals: Shareholder Proposal Regarding Human Rights Due Diligence Process Report and Shareholder Proposal Regarding Living Wage Policy.

Walmart Inc. engages in the operation of retail, wholesale, and other units worldwide. The company operates through three segments: Walmart U.S., Walmart International, and Sam's Club.

At the 2024 AGM of Walmart, shareholders had the opportunity to vote on a number of routine agenda items, including director elections and executive compensation, as well as seven shareholders proposals, two of which were particularly noteworthy. The first one requested the company to publish a Human Rights Impact Assessment, examining the actual and potential adverse impacts associated with high-risk commodities or operations in Walmart's supply chain. We determined that the request of the proposal can help the company tackle a relevant source of material risks for its supply chain operations, and considering the prominent position that Walmart holds among consumer retailers in the US, we decided to vote in favor. Moreover, the request for a third-party assessment of these risks aligns with our own engagement expectations. The second shareholder proposal asked the company's board and management to exercise their discretion to establish company wage policies which provide workers with the minimum earnings necessary to meet a family's basic needs (living wage). We voted in favor of this proposal, as we support the objective behind it and it aligns with the goals of our past engagement efforts with the company.

WALT DISNEY CO (THE)

3 April 2024

Proposals: Election of Directors and Shareholder Proposal Regarding Severance Approval Policy.

The Walt Disney Company, together with its subsidiaries, operates as an entertainment company worldwide. It operates through two segments, Disney Media and Entertainment Distribution; and Disney Parks, Experiences and Products.

Disney's 2024 AGM was marked by a proxy fight which saw both Nelson Peltz's Trian Partners and Blackwells Capital aiming to win board seats and to implement far-reaching changes meant to improve the company's performance. As a general rule, we view the election of dissident candidates to the board as a measure of last resort that should be explored if the company fails to address existing shortcomings and proves unresponsive to other means of engagement. Disney has taken incremental steps to address the issues it is facing and has implemented certain improvements in response to shareholder feedback over the past years. After participating in a webinar where Nelson Peltz and former Disney CFO Jay Rasulo presented their rationale for seeking board representation at Disney, we discussed the case with our internal stakeholders, which included portfolio managers across equity and credits. Following this process, we concluded that voting against all dissident candidates and supporting the Disney nominees would be in the best interest of shareholders. No dissident nominees were elected to the board, with Nelson Peltz receiving the highest support rate at 31.2%. In addition to the contested election, the AGM also featured a vote on several shareholder proposals addressing a variety of topics, from political contributions to gender transitioning compensation and benefits. The proposal concerning Disney's severance approval policy was particularly noteworthy, given that the company has been under severe scrutiny over the large severance packages granted to outgoing executives in recent years. This proposal requested that Disney seek shareholder approval of pay packages providing for a golden parachute with a value exceeding 2.99 times the sum of the executive's base salary plus target short-term bonus. Notably, severance payments above this threshold can no longer be tax deducted as an expense. The company's current policy is to seek shareholder approval in the event of cash severance payments exceeding this threshold, thereby allowing for significant equity severance payments to be granted in excess of this threshold without shareholder approval. We supported the proposal after concluding that the requested change would expand the company's existing policy and increase accountability to shareholders. The proposal gained less than 10% of support.

Appendix – Engagement overview 2024

Figure 18 | Engagement overview 2024

Environment

Engagement theme	Period	Targeted outcome	Companies under engagement
Biodiversity	Continuous	Our engagement work aims to improve companies' sourcing and production practices, focusing on companies with supply chains exposed to the high-risk commodities. We have also expanded our engagement beyond commodity producers to include companies further downstream supply chains. These companies play a role in setting industry standards, and we will engage to move them along in their management of biodiversity risks and opportunities as the topic develops.	Arcadis NV Axfood AB Compagnie Generale des Etablissements Michelin SCA Contemporary Amperex Technology Co Ltd Cranswick PLC Kimberly-Clark Corp Leroy Seafood Group ASA Procter & Gamble Co. Ryohin Keikaku Co Ltd Sappi Ltd. Signify NV Unilever VF Corp
Climate and Nature Transition of Financial Institutions	Continuous	Our engagement focuses on the climate and nature transition of financial institutions. The main aim is to support financial institutions in managing the emerging climate change and nature-related risks and opportunities, and to ready them for their and their clients' climate and nature transition.	Australia & New Zealand Banking Group Ltd. Bank of America Corp. Barclays Plc BNP Paribas SA Citigroup, Inc. DBS Group Holdings HSBC ICICI Bank Ltd ING Groep NV JPMorgan Chase & Co., Inc. Sumitomo Mitsui Financial Group, Inc.
Hazardous Chemicals	Q3 2024 - Q2 2027	Our engagement focuses on companies producing and using PFAS. The main aim is to reduce companies hazardous and persistent chemical footprint and encourage companies to phase out of these hazardous chemicals and look for safer alternatives.	3M Co AkzoNobel Albemarle Corp Honeywell International Saudi Basic Industries Corp
Natural Resource Management	Continuous	Our engagement aims to enhance companies' risk management of water and waste issues and avoid or mitigate adverse environmental impacts.	Ambev SA CF Industries Holdings, Inc. OCI NV PepsiCo, Inc. Tronox Holdings Plc
Nature Action 100	Q4 2022 – Q4 2026	A global investor-led engagement effort focused on driving greater corporate ambition and action to tackle nature and biodiversity loss.	Ahold Alibaba Group Holding Ltd. Archer Daniels Midland Britannia Industries Ltd Corteva, Inc. LG Chem Sociedad Quimica y Minera SA Wens Foodstuffs Group Co Ltd

Engagement theme	Period	Targeted outcome	Companies under engagement
Net Zero Carbon Emissions	Continuous	Our engagement is focused on smooth decarbonization journeys for oil and gas, electric utilities, steel and cement industries by encouraging companies to take climate change mitigation actions and secure their long-term license to operate.	A O Smith Corp Accor SA Air Liquide SA Anglo American BHP Billiton BP BYD Co. Ltd. Celanese Corp CEZ as Cheniere Energy Inc Chevron China National Building Material Co. Ltd. Costco Wholesale Corp Cummins, Inc. Darling Ingredients Inc Doosan Bobcat Inc Dow Inc Duke Energy Corp. Ecopetrol SA Engie SA ExxonMobil Fortescue Metals Group Ltd. Haier Smart Home Co., Ltd. Holcim AG Hynix Semiconductor, Inc. Hyundai Motor JFE Holdings, Inc. JSW Group Linde Plc Mando Corp. Marathon Petroleum Corp. OMV AG Petroleo Brasileiro Phillips 66 Renesas Electronics Corp Repsol Royal Dutch Shell Saudi Arabian Oil Co. Sumitomo Forestry Co Ltd Valero Energy Corp. Veolia Environnement SA Westlake Corp Yutong Bus Co Ltd
Ocean Health	Q4 2024 - Q3 2027	This theme is focused on companies' management of both their impacts on and risks from declining ocean health, both from a climate and biodiversity perspective, all while exploring the long-term opportunities that exist in the transition towards restorative value creation models.	Carnival Corp Evergreen Marine Corp Taiwan Ltd Leroy Seafood Group ASA MISC Bhd Royal Caribbean Cruises Ltd Thai Union Frozen Products Public Co. Ltd.

Social

Engagement theme	Period	Targeted outcome	Companies under engagement
Human Capital Management	Continuous	Our engagement aims to emphasize equitable workplaces through fair labor practices, employee engagement, and workforce development, and consequently positively contributing to social equality, and long-term economic growth.	Eli Lilly & Co. Netflix Inc Oracle Corp
Human Rights Due Diligence for Conflict-Affected and High-Risk Areas	Q3 2021 - Q1 2025	Our engagement is focused on mitigating exposure to human rights violations by focusing on companies operating in three conflict-affected or high-risk areas.	Booking Holdings, Inc. Cemex SAB de CV Fast Retailing HeidelbergCement AG Hon Hai Precision Industry Co. Ltd. Inditex International Paper Co IPG Photonics Corp PTT Exploration & Production Sinotruk Hong Kong Ltd. SolarEdge Technologies, Inc. Volkswagen Wacker Chemie AG
Fashion Transition	Continuous	This theme sets out our expectations with respect to issues including decent work, natural resource stewardship and circular business models and aims to unlock sustainability opportunities across the fashion value chain, from sourcing to end-of-life management.	Adidas Beiersdorf AG Birkenstock Holding Plc Brunello Cucinelli SpA Burberry Group Bureau Veritas SA Cintas Corp. Compagnie Financiere Richemont Cosmecca Korea Co Ltd Crocs Inc Deckers Outdoor Corp Eclat Textile Co Ltd Ermenegildo Zegna NV EssilorLuxottica SA Estee Lauder Cos Inc/The Etsy Inc Galderma Group AG Global Blue Group Holding AG Hermes International SCA HUGO BOSS AG Inditex Intercos SpA JD Sports Fashion PLC Kering L Oréal Levi Strauss & Co L'Occitane International SA Lojas Renner SA Lululemon Athletica Inc LVMH Moet Hennessy Louis Vuitton Marimekko Oyj MercadoLibre Inc Moncler SpA NIKE Novozymes On Holding AG Pandora A/S PRADA SpA Proya Cosmetics Co Ltd Puma Ross Stores Inc Shiseido Co Ltd Shopify Inc Silgan Holdings Inc Symrise AG The TJX Cos. Watches of Switzerland Group PLC Zalando SE Zebra Technologies Corp

Engagement theme	Period	Targeted outcome	Companies under engagement
Just Transition in Emerging Markets	Q4 2023 - Q4 2026	This theme is addressing material shareholder issues in Brazil, China and Korea, and aiming to improve governance and ESG practices.	Ganfeng Lithium Group Co Ltd Impala Platinum Holdings Ltd Pertamina Persero PT Reliance Industries Ltd SK Innovation Co Ltd Tenaga Nasional Bhd
Labor Practices in a post Covid-19 World	Q2 2021 - Q2 2024	This theme is focused on engaging with three key sectors: retail, the gig economy and hospitality, where the pandemic exposed vulnerability and lack of safeguards for workers.	Accor SA Delivery Hero AG InterContinental Hotels Group Plc Marriott International, Inc. Meituan Dianping Uber Technologies, Inc. Wal-Mart Stores
Modern Slavery in Supply Chains	Q4 2023 - Q4 2026	This theme aims to enhance companies' effectiveness in identifying and addressing modern slavery risks. The engagement will also focus on how companies provide impacted stakeholders with effective remediation measures and prevent further recurrences by working closely with suppliers and establishing the right accountability structures within their organization.	Associated British Foods Plc Canon General Mills Giant Manufacturing Co Ltd Glencore Plc Kia Motors Corp. Mondelez International Tesla Motors, Inc. The Kroger Wal-Mart Stores Wesfarmers Ltd
Sound Social Management	Continuous	Engaging on various social issues.	Baidu, Inc. Post Holdings Inc Tencent Holdings Ltd. Weibo Corp

Governance

Engagement theme	Period	Targeted outcome	Companies under engagement
Corporate Governance in Emerging Markets	Q2 2020 - Q2 2025	This theme is addressing material shareholder issues in Brazil, China and Korea, and aiming to improve governance and ESG practices.	Companhia de Concessoes Rodoviarias SA Cosan SA CPFL Energia SA ENN Energy Holdings Haier Smart Home Co., Ltd. Hyundai Motor Midea Group Co. Ltd.
Corporate Governance Standards in Asia	Continuous	This theme is engaging on governance issues in Asia. This engagement theme is kept broad to provide the necessary flexibility to accommodate investment team and client requests as engagement needs arise.	Hynix Semiconductor, Inc. Panasonic Corp. Resonac Holdings Corp ROHM Co. Ltd. Shin-Etsu Chemical Co. Ltd.
Good Governance	Continuous	Engaging on various governance issues.	Airbnb Inc ASML Avantium NV FUJIFILM Holdings Corp Grifols SA Northland Power Inc Novozymes Petroleo Brasileiro TravelSky Technology Ltd
Tax Transparency	Q4 2023 - Q4 2026	This theme focuses on companies using aggressive tax optimization strategies. The engagements will encourage companies to be more transparent when it comes to their taxation practices, to set up responsible tax policies and create strong accountability and governance systems.	AbbVie, Inc. Amgen Apple McDonalds Microsoft Stellantis NV Thermo Fisher Scientific, Inc.

Enhanced Engagement

Engagement theme	Period	Targeted outcome	Companies under engagement
Acceleration to Paris	Continuous	This theme is focused on companies that are lagging in terms of aligning with the Paris Agreement to keep the rise in the average global temperature well below 2°C / 1.5°C above pre-industrial levels and the largest emitters in our investment universe, with the aim of helping them ramp up their decarbonization efforts and set up robust transition plans. Failure to make progress will be regarded as a breach of global standards, with exclusion from our investable universe as a potential consequence.	African Rainbow Minerals Ltd Aluminum Corp of China Ltd Anhui Conch Cement Co. Ltd. Berkshire Hathaway Caterpillar, Inc. China Longyuan Power Group Corp Ltd China National Building Material Co. Ltd. China State Construction Engineering Corp Ltd Continental Resources, Inc. Formosa Plastics Corp. Hunan Valin Steel Co Ltd ITOCHU Corp. Marubeni Corp. Mitsubishi Mitsui & Co Ltd POSCO SAIC Motor Corp Ltd Sany Heavy Industry Co Ltd Sumitomo Corp. Toyota Industries Corp WH Group Ltd. (HK)
Global Controversy Engagement	Continuous	Engaging on breaches of international standards like the UN Global Compact and OECD Guidelines.	Adani Enterprises Ltd. Adani Ports & Special Economic Zone Ltd. Elswedy Cables Holding Co. Lockheed Martin Corp Mattel Raytheon Technologies Corp United Phosphorus Ltd. Vale SA Zijin Mining Group Co. Ltd.
Palm Oil	Q1 2019 - Q4 2024	This theme is addressing both the environmental and social challenges of palm oil and aligning with the best practices of the RSPO.	MP Evans Group PLC REA Holdings PLC Wilmar International

SDG Engagement

Engagement theme	Period	Targeted outcome	Companies under engagement
SDG Engagement	Continuous	Focus on improving a company's contribution to the SDGs.	AbbVie, Inc. Adobe Systems, Inc. Alphabet, Inc. Amazon.com, Inc. Amgen Apple AutoZone Inc Banco BTG Pactual S.A. Bank of Montreal Broadcom Inc Capital One Financial Corp. CB Richard Ellis Group, Inc. Cheniere Energy Inc Deutsche Boerse eBay Electronic Arts, Inc. Elevance Health Inc F5 Networks, Inc. Grupo Bimbo SAB de CV Haleon PLC Hitachi Ltd. Infosys Ltd Jeronimo Martins LyondellBasell Industries NV Meta Platforms Inc Motorola Mr. Price Group Ltd. NASDAQ OMX Group, Inc. Novartis OTP Bank Nyrt Rio Tinto Salesforce.com, Inc. SalMar ASA Samsung Electronics Sandvik AB Sony STMicroelectronics NV Sumitomo Mitsui Financial Group, Inc. Total Trane Technologies PLC United Parcel Service, Inc. Volvo Group

Voting-related Engagement

Engagement theme	Period	Targeted outcome	Companies under engagement
AGM Engagement 2024	Continuous	Voting at the Annual General Meetings (AGM) of shareholders offers shareholders the opportunity to provide direct feedback to a company - either in advance or after a company's AGM. These dialogues are not recurring long-term engagements, but unique opportunities to amplify the impact of our voting decisions. Corporate governance as well as other ustainability topics that may arise during a shareholder meeting are overed under this section, if they are not covered in other parts of the engagement program.	Airbus SE Alpha Services and Holdings SA Ampol Ltd. Avangrid Inc Ballard Power Systems Inc Banco Bilbao Vizcaya Argentaria SA Cisco Systems Cummins, Inc. DocuSign Inc Dolby Laboratories Inc Enagas SA Georg Fischer AG Goldman Sachs Group, Inc. ING Groep NV Itron, Inc. Masco Corp Nexans SA Northland Power Inc Schneider Electric SA Sunrun Inc Taishin Financial Holding Co Ltd Terna - Rete Elettrica Nazionale Veolia Environnement SA WEC Energy Group Inc White Mountains Insurance Group Ltd Wolters Kluwer Woodside Energy Group Ltd Xerox Holdings Corporation Yaskawa Electric Corp DataTec Ltd Doosan Bobcat Inc Hana Financial Group Inc Nexity SA NRG Energy Inc Procore Technologies Inc SK Square Co Ltd Woongjin Coway Co. Ltd.

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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.

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