

An abstract graphic composed of a dense network of thin teal lines that form a series of overlapping, curved planes, creating a three-dimensional wireframe effect that resembles a stylized landscape or a complex architectural structure.

SI Position Paper

# Our approach to deforestation



For professional investors  
February 2023



## Robeco's commitment to end deforestation

Robeco is committed to work on eliminating commodity-driven deforestation across its portfolios by 2025. It follows the COP26 Deforestation Commitment signed by over 30 financial institutions with more than EUR 8 trillion in assets under management. To live up to our pledge, Robeco has set up a deforestation engagement strategy defined by three main pillars:

1. Broadening our individual stewardship efforts
2. Focusing on collaborative initiatives in the financial industry
3. Engagement with sovereign policy makers



# Why deforestation matters

Deforestation sits at the center of climate change, biodiversity loss and food and water insecurity, posing a systemic risk to companies and investors.

Forests constitute an essential biome supporting our livelihoods. It is estimated that almost 1.6 billion people depend on them for food, water, wood and employment. Their importance also lies in their ability to sequester carbon, regulate the climate, protect biodiversity and recharge groundwater, amongst other benefits. In particular, tropical forests store more carbon than any other land-based ecosystem and host most of the world's documented species. Yet, tropical forests also face the highest risk of being cut down or degraded. Deforestation is responsible for nearly 15% of global CO<sub>2</sub> emissions.<sup>1</sup> Tropical deforestation increased overall by 12% between 2019 and 2021.<sup>2</sup> Brazil was the country with the highest share of primary rainforest loss in 2021 (40%), followed by the Democratic Republic of Congo, Bolivia, Indonesia and Peru.<sup>3</sup>

Agriculture drives between 90% and 99% of all deforestation in the tropics, either to directly meet demand for commodities, or due to indirect mechanisms such as land speculation, assertion of land tenure, or inadvertent land clearance. Commodities that are particularly associated with deforestation are palm oil, soy, cattle, and timber products such as pulp and paper. Others include natural rubber, cocoa and coffee.<sup>4</sup> Preserving existing forests thus requires the way in which these supply chains function to be addressed.

Between 90% and 99% of all deforestation in the tropics is driven by agriculture, either to directly meet demand for commodities, or due to indirect mechanisms.

**Deforestation and climate change:** Forests play a pivotal role in climate change. When preserved and restored, they absorb carbon dioxide from the atmosphere; when cut down or degraded, they release it. Protecting existing forests represents one of the most cost-effective and immediate ways to mitigate climate change, providing up to 14% of additional global warming mitigation needed by 2030 to meet the 1.5°C target.<sup>5</sup> All nature-based solutions, including measures such as forest protection, wetland restoration and soil quality improvements, can contribute

to one third of the mitigation efforts needed to achieve the targets set by the Paris Agreement. This means humans need forests to effectively address climate change.<sup>6</sup> However, deforestation and the associated biodiversity decline are compromising such ambitions, turning natural carbon sinks into carbon sources. Recent studies have indicated that such a transformation has already happened in the Amazon. Overall figures estimate that forests absorb around 15 gigatons of CO<sub>2</sub> equivalent emissions, while their degradation and deforestation release more than half, i.e. 8 gigatons of CO<sub>2</sub> equivalent emissions.<sup>7</sup> Halting deforestation by 2030 is critical to mitigate climate change, as investments in forests provide a double climate dividend by reducing emissions and enhancing sequestration.

**Biodiversity loss and its economic cost:** Forests cover around one third of the Earth's land area and house most of its terrestrial biodiversity. Specifically, they contain 60,000 different tree species, 80% of amphibian species, 75% of birds and 68% of mammals.<sup>8</sup> Land-use change, including deforestation, is the main driver of biodiversity loss. A study conducted by the World Economic Forum has estimated that USD 44 trillion of economic value generation is moderately or highly dependent on nature and the related ecosystem services including rainfall, pollinators, disease and pest control.<sup>9</sup> This figure represents more than half of the world's GDP. Stopping deforestation and forest degradation would therefore mean preserving nature's ability to continue to provide the many services that societies depend on.

**The role of indigenous communities:** Globally, indigenous people and local communities manage around 20% of the world's land. Indigenous people are estimated to manage nearly 300 billion metric tons of carbon stored above and below ground, equal to more than 30 years' worth of global emissions.<sup>10</sup> Deforestation, biodiversity loss and carbon emissions tend to be much lower in areas managed by indigenous communities; almost half of the intact forests in the Amazon are in indigenous territories. While these territories amount to 28% of the total, they only generate 2.6% of the region's carbon emissions.<sup>11</sup>

However, we risk their ability to do so through various human rights violations often associated with

<sup>1</sup> WEF Forests for Climate

<sup>2</sup> UNFCCC Why net zero needs zero deforestation now

<sup>3</sup> WEF 10 key takeaways from COP27 on nature's critical role

<sup>4</sup> Science Disentangling numbers behind agriculture-driven tropical deforestation

<sup>5</sup> FAO The State of the World's Forests

<sup>6</sup> WEF Forests for Climate

<sup>7</sup> WEF Here's how halting deforestation can help us reach net zero

<sup>8</sup> WEF Forests for Climate

<sup>9</sup> WEF Half of World's GDP Moderately or Highly Dependent on Nature

<sup>10</sup> WEF Forests for Climate

<sup>11</sup> FAO forest governance by indigenous and tribal peoples

deforestation. These include the lack of free, prior and informed consent, violation of labor and customary rights, and violence against forest and human rights defenders.<sup>12</sup> When acting to preserve forests, it is thus fundamental to account for indigenous people and local communities who know their landscapes and ecology better than anyone.

## The relevance to investors

Financial institutions have a fiduciary duty to act in the best long-term interests of their beneficiaries. Continued deforestation directly affects future economic prosperity and represents a long-term, financially material and systemic risk to investors' assets.

Companies involved in the production, processing, manufacturing, trading and retailing of commodities linked to high deforestation risk face physical, regulatory, operational, market and reputational risks. For instance, the recent EU Regulation on deforestation-free supply chains will require companies importing high-risk commodities and its derived products into the EU market to conduct strict due diligence to prove that the products are not linked to deforestation.<sup>13</sup> This might reduce market access and increase the cost of capital for companies that fail to meet these requirements.

Investments in companies linked to soft commodity supply chains rely on the ecosystem services provided by forests, such as maintaining and regulating regional rainfall, and providing soil stability and wildlife habitat. Deforestation compromises these services, driving higher costs and more volatile commodity prices.

It is critical for investors to understand the risks that biodiversity loss poses to their corporate and sovereign assets. At the same time, financial institutions need to understand their contribution to, and role in halting and reversing biodiversity loss, such as through deforestation, as soon as possible. The UN Convention on Biological Diversity points out the role of private finance in addressing the rate of biodiversity loss, calling on companies and financial institutions to monitor, assess and disclose their risks, dependencies and impacts on biodiversity. Similarly, the environmental impact of the financial sector is increasingly recognized by civil society organizations and governments. The EU Sustainable Finance Disclosure Regulation (SFDR) puts forward progressive disclosure obligations around biodiversity and deforestation for sustainable investment strategies.

<sup>12</sup> Global Canopy DFF Roadmap

<sup>13</sup> European Commission



# Robeco's position on deforestation

Scaling up individual stewardship efforts, joining collaborative initiatives and continuing engagement with governments most exposed to deforestation risks allows Robeco to leverage its influence to create impact.

## Our commitment to end deforestation

Wealth and well-being cannot exist without nature. Robeco acknowledges how critical preserving biodiversity and halting deforestation is not only to our long-term value creation, but also to the stability of our socio-economic systems.

In 2020, Robeco became one of the initial signatories of the **Finance for Biodiversity Pledge**, committing to protect and restore biodiversity through our finance activities and investments. Signatory financial institutions have pledged to collaborate, assess the biodiversity impact of their portfolios, and set targets and report on biodiversity matters by 2024 at the latest.

In 2021, Robeco conducted a heatmap assessment using ENCORE data to understand the exposure of our investments to biodiversity risks. Around 29% of our investments are in sectors with potentially high or very high impacts on key drivers of biodiversity loss. Our highest investment exposure was to sectors with high or very high impact on land use change and freshwater. Robeco thus considers tackling deforestation as key to addressing broader biodiversity loss risks.

To address biodiversity loss linked to deforestation, we signed the **COP26 Financial Sector Commitment on Eliminating Agricultural Commodity-Driven Deforestation** in 2021. We thereby joined over 30 financial institutions with more than EUR 8 trillion in assets under management in pledging to use our best efforts to eradicate agricultural deforestation risks in investment portfolios by 2025. In line with such a commitment, deforestation is now a key part of our [biodiversity policy](#), prioritizing our stewardship activities around deforestation on key forest risk commodity supply chains, namely palm oil, soy, cattle and timber products.

Implemented in 2019 and revised in 2022, Robeco's [Palm Oil Policy](#) provides an example of our early efforts to set clear principles and sustainability expectations guiding investments in this high deforestation-risk sector.

Together with our work to integrate deforestation risks in investment processes, the policy outlines our plan to apply and scale different active ownership instruments, including corporate engagement, proxy voting and active participation in collaborative initiatives.

## Our efforts to reduce deforestation

**Integration of deforestation risks in investment processes:** As part of our fundamental investment processes, sustainable investment analysts assess material sustainability risks and opportunities for a wide range of our investee companies – including deforestation risk. Their view is expressed in a sustainable investment rating, describing the extent to which the sustainability factor is expected to affect business fundamentals. These are then considered by financial analysts and portfolio managers when adjusting valuations and weights in portfolios.

Robeco is also creating a biodiversity investment framework to assess issuer-level impacts and contributions to biodiversity, aiming to go beyond sector materiality. The underlying idea is to identify the companies that are bending the curve on biodiversity loss trends and are therefore on their way to halt or reverse the drivers of biodiversity loss, including land-use change and thus deforestation.

**Portfolio deforestation exposure mapping:** Using NGO Global Canopy's Forest500 data, Robeco mapped its portfolio exposure to companies linked to the four forest-risk commodity value chains. Forest500 assesses the performance of the 350 companies and 150 financial institutions with the greatest exposure to and influence over palm oil, soy, cattle and timber products supply chains. Screening our portfolios against the Forest500 company list (excluding financial institutions) was the first step to understanding our investment exposure to deforestation risks, and it allowed us to analyze how the underlying companies manage these risks. Since current deforestation-linked data sources only cover a limited set of sectors, commodities and/or companies, our mapping methodology is subject to change as more extensive and granular deforestation data becomes available.

**Deforestation-focused corporate engagements:** Robeco has set up a dedicated engagement theme in 2020 focused on deforestation-driven biodiversity loss. The companies under scope have high exposure to cocoa, natural rubber, soy, beef, tropical timber and pulp. Through these engagements, Robeco has asked investee companies to increase the level and quality of disclosures on location-specific nature dependencies and impacts across supply chains. We have pointed them towards independent sustainability assessments and ratings including the Forest500 and ZSL SPOTT databases, as well as relevant CDP questionnaires. Over recent years,

companies have started to recognize the importance of halting deforestation, setting commitments and working on monitoring their supply chains, while supporting farmers through digital tools and payments for ecosystem services.

In 2022, we extended the biodiversity engagement program in both time and scope to also focus on other drivers of biodiversity loss, from pollution to overfishing. The engagement now also includes companies further downstream supply chains, which are playing a role in setting industry standards.

**Deforestation proxy voting policy:** In 2023, Robeco introduced a deforestation proxy voting policy. This targets companies with high exposure to deforestation risk and inadequate policies and processes to reduce their impact, and/or companies that are involved in severe and repeated deforestation-linked controversies. For impacted companies, Robeco will vote against the most appropriate agenda item. The data used to screen companies also assesses their risk management regarding human rights issues associated with deforestation, such as violations of indigenous community rights.

**Collaborative deforestation engagement:** Robeco is seeking collaborative engagements to address deforestation risks, using proactive and reactive efforts in a time and cost-efficient manner. These range from supporting statements, letter campaigns and data requests, to intense corporate engagements. For instance, Robeco is part of the core investor group that is launching the Nature Action 100 initiative in 2023. This initiative will focus on engaging with the 100 companies in sectors with the largest impacts and dependencies on nature to ensure they are taking meaningful actions to protect and restore nature and ecosystems.

**Engaging on deforestation data:** Born out of the COP26 Commitment on Eliminating Agricultural Commodity-Driven Deforestation, signatory investors have grouped together under the Finance Sector Deforestation Action (FSDA) initiative to engage corporates and ESG data providers to advance their stance on deforestation. Robeco has taken the leading role in the FSDA's work stream on engagement with ESG data providers on increasing deforestation-linked product offerings. Lack of granular data on deforestation risk exposure for key commodities in terms of both universe coverage and company performance is seen as a challenge in effectively mapping exposure to deforestation risks across portfolios. The aim is to better understand current product offerings from data providers, signal investors' strong interest in development of high-quality and reliable deforestation data, and offer room for future collaboration on this front.

**Sovereign engagement:** Robeco has been actively involved in the Investor Policy Dialogue on Deforestation (IPDD) initiative since it was formally set up in July 2020.

We co-chair the work stream responsible for engaging with the government of Indonesia and actively participate in the Brazilian workstream. In December 2022, the coalition was comprised of 67 institutional investors from 19 countries, with USD 10 trillion in assets under management. Aware that effectively contributing to halting deforestation requires more than just engaging with companies, Robeco considers sovereign engagement as a powerful step to encourage governments to implement relevant policies and contribute to positive change.

**Partnerships and initiatives:** Finally, Robeco works with numerous academic and civil organizations to enhance the response and disclosure by investee companies to mitigate the impact of deforestation. In 2022, Robeco announced its partnership with the World Wide Fund for Nature Netherlands (WWF-NL), collaborating on Robeco's [biodiversity roadmap](#). The WWF-NL will help to engage with the wider finance sector to integrate biodiversity, including forest protection, into their investment strategies.

Focused specifically on deforestation we are an associate partner of the RAINFOREST research project financed under the European Commission's Horizon Europe program. The international research consortium will co-develop pathways and interventions to reduce impacts of major food and biomass value chains. Researchers will use techniques such as environmental life cycle assessment (LCA), input-output analysis and integrated modelling to evaluate biodiversity impacts of various future production systems, consumption patterns and investment scenarios.

Moreover, Robeco is engaging with the Taskforce for Nature-related Financial Disclosures (TNFD), as the framework nears its September 2023 release. The TNFD aims to build a risk management and disclosure framework that organizations of all sizes in all jurisdictions can use to identify, assess, manage and disclose nature-related dependencies, impacts, risks and opportunities. Robeco is following developments to the framework closely and taking an active role in piloting the draft guidance. We also support the Science Based Target Network's (SBTN) development of nature targets and are collaborating with the Cambridge Institute for Sustainable Leadership (CISL). This center has released key publications guiding investors in assessing nature-related financial risks and integrating climate and nature when addressing environmental challenges.

This position paper summarizes how important forests are for climate, biodiversity and societies at large. Considering the emergence of the EU Regulation on deforestation-free supply chains, Robeco expects deforestation to pose an increasingly material risk for companies and investors. We are taking action to address this issue and will continue to set next steps as and when possible. Developments in our approach will be reflected in future updates of this document.

## Important Information

Robeco Institutional Asset Management B.V. has a license as manager of Undertakings for Collective Investment in Transferable Securities (UCITS) and Alternative Investment Funds (AIFs) ("Fund(s)") from the Netherlands Authority for the Financial Markets in Amsterdam. This marketing document is intended solely for professional investors, defined as investors qualifying as professional clients, who have requested to be treated as professional clients or are authorized to receive such information under any applicable laws. Robeco Institutional Asset Management B.V. and/or its related, affiliated and subsidiary companies, ("Robeco"), will not be liable for any damages arising out of the use of this document. Users of this information who provide investment services in the European Union have their own responsibility to assess whether they are allowed to receive the information in accordance with MiFID II regulations. To the extent this information qualifies as a reasonable and appropriate minor non-money benefit under MiFID II, users that provide investment services in the European Union are responsible for complying with applicable recordkeeping and disclosure requirements. The content of this document is based upon sources of information believed to be reliable and comes without warranties of any kind. Without further explanation this document cannot be considered complete. Any opinions, estimates or forecasts may be changed at any time without prior warning. If in doubt, please seek independent advice. This document is intended to provide the professional investor with general information about Robeco's specific capabilities but has not been prepared by Robeco as investment research and does not constitute an investment recommendation or advice to buy or sell certain securities or investment products or to adopt any investment strategy or legal, accounting or tax advice. All rights relating to the information in this document are and will remain the property of Robeco. This material may not be copied or shared with the public. No part of this document may be reproduced or published in any form or by any means without Robeco's prior written permission. Investment involves risks. Before investing, please note the initial capital is not guaranteed. Investors should ensure they fully understand the risk associated with any Robeco product or service offered in their country of domicile. Investors should also consider their own investment objective and risk tolerance level. Historical returns are provided for illustrative purposes only. The price of units may go down as well as up and past performance is no guarantee of future results. If the currency in which the past performance is displayed differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency. The performance data do not take account of the commissions and costs incurred when trading securities in client portfolios or for the issue and redemption of units. Unless otherwise stated, the prices used for the performance figures of the Luxembourg-based Funds are the end-of-month transaction prices net of fees up to 4 August 2010. From 4 August 2010, the transaction prices net of fees will be those of the first business day of the month. Return figures versus the benchmark show the investment management result before management and/or performance fees; the Fund returns are with dividends reinvested and based on net asset values with prices and exchange rates as at the valuation moment of the benchmark. Please refer to the prospectus of the Funds for further details. Performance is quoted net of investment management fees. The ongoing charges mentioned in this document are the ones stated in the Fund's latest annual report at closing date of the last calendar year. This document is not intended for or intended for distribution to or for use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, document, availability or use would be contrary to law or regulation or which would subject any Fund or Robeco Institutional Asset Management B.V. to any registration or licensing requirement within such jurisdiction. Any decision to subscribe for interests in a Fund offered in a particular jurisdiction must be made solely on the basis of information contained in the prospectus, which information may be different from the information contained in this document. Prospective applicants for shares should inform themselves as to legal requirements which may also apply and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile. The Fund information, if any, contained in this document is qualified in its entirety by reference to the prospectus, and this document should, at all times, be read in conjunction with the prospectus. Detailed information on the Fund and associated risks is contained in the prospectus. The prospectus and the Key Investor Information Document for the Robeco Funds can all be obtained free of charge from Robeco's websites.

## Additional Information for US investors

Robeco is considered "participating affiliated" and some of their employees are "associated persons" of Robeco Institutional Asset Management US Inc. ("RIAM US") as per relevant SEC no-action guidance. Employees identified as associated persons of RIAM US perform activities directly or indirectly related to the investment advisory services provided by RIAM US. In those situations these individuals are deemed to be acting on behalf of RIAM US, a US SEC registered investment adviser. SEC regulations are applicable only to clients, prospects and investors of RIAM US. RIAM US is a wholly owned subsidiary of ORIX Corporation Europe N.V. and offers investment advisory services to institutional clients in the US.

## Additional Information for investors with residence or seat in Australia and New Zealand

The document is distributed in Australia by Robeco Hong Kong Limited (ABN 156 512 659) ("RIAM BV"), which is exempt from the requirement to hold an Australian financial services license under the Corporations Act 2001 (Cth) pursuant to ASIC Class Order 03/103. Robeco is regulated by the Securities and Futures Commission under the laws of Hong Kong and those laws may differ from Australian laws. This document is distributed only to "wholesale clients" as that term is defined under the Corporations Act 2001 (Cth). This document is not intended for distribution or dissemination, directly or indirectly, to any other class of persons. In New Zealand, this document is only available to wholesale investors within the meaning of clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 (FMCA). This document is not intended for public distribution in Australia and New Zealand.

## Additional Information for investors with residence or seat in Austria

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

## Additional Information for investors with residence or seat in Brazil

The Fund may not be offered or sold to the public in Brazil. Accordingly, the Fund has not been nor will be registered with the Brazilian Securities Commission (CVM), nor has it been submitted to the foregoing agency for approval. Documents relating to the Fund, as well as the information contained therein, may not be supplied to the public in Brazil, as the offering of the Fund is not a public offering of securities in Brazil, nor may they be used in connection with any offer for subscription or sale of securities to the public in Brazil.

## Additional Information for investors with residence or seat in Brunei

The Prospectus relates to a private collective investment scheme which is not subject to any form of domestic regulations by the Autoriti Monetari Brunei Darussalam ("Authority"). The Prospectus is intended for distribution only to specific classes of investors as specified in section 20 of the Securities Market Order, 2015, and must not, therefore, be delivered to, or relied on by, a retail client. The Authority is not responsible for reviewing or verifying any prospectus or other documents in connection with this collective investment scheme. The Authority has not approved the Prospectus or any other associated documents nor taken any steps to verify the information set out in the Prospectus and has no responsibility for it. The units to which the Prospectus relates may be illiquid or subject to restrictions on their resale. Prospective purchasers of the units offered should conduct their own due diligence on the units.

## Additional Information for investors with residence or seat in Canada

No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein, and any representation to the contrary is an offence. Robeco Institutional Asset Management B.V. relies on the international dealer and international adviser exemption in Quebec and has appointed McCarthy Tétreault LLP as its agent for service in Quebec.

## Additional information for investors with residence or seat in the Republic of Chile

Neither Robeco nor the Funds have been registered with the *Comisión para el Mercado Financiero* pursuant to Law no. 18.045, the *Ley de Mercado de Valores* and regulations thereunder. This document does not constitute an offer of or an invitation to subscribe for or purchase shares of the Funds in the Republic of Chile, other than to the specific person who individually requested this information on their own initiative. This may therefore be treated as a "private offering" within the meaning of article 4 of the *Ley de Mercado de Valores* (an offer that is not addressed to the public at large or to a certain sector or specific group of the public).

## Additional Information for investors with residence or seat in Colombia

This document does not constitute a public offer in the Republic of Colombia. The offer of the Fund is addressed to fewer than one hundred specifically identified investors. The Fund may not be promoted or marketed in Colombia or to Colombian residents, unless such promotion and marketing is made in compliance with Decree 2555 of 2010 and other applicable rules and regulations related to the promotion of foreign Funds in Colombia.

## Additional Information for investors with residence or seat in the Dubai International Financial Centre (DIFC), United Arab Emirates

This material is distributed by Robeco Institutional Asset Management B.V. (DIFC Branch) located at Office 209, Level 2, Gate Village Building 7, Dubai International Financial Centre, Dubai, PO Box 482060, UAE. Robeco Institutional Asset Management B.V. (DIFC Branch) is regulated by the Dubai Financial Services Authority ("DFSA") and only deals with Professional Clients or Market Counterparties and does not deal with Retail Clients as defined by the DFSA.

## Additional Information for investors with residence or seat in France

Robeco Institutional Asset Management B.V. is at liberty to provide services in France. Robeco France is a subsidiary of Robeco whose business is based on the promotion and distribution of the group's funds to professional investors in France.

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

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

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

The contents of this document have not been reviewed by the Securities and Futures Commission ("SFC") in Hong Kong. If there is in any doubt about any of the contents of this document, independent professional advice should be obtained. This document has been distributed by Robeco Hong Kong Limited ("Robeco"). Robeco is regulated by the SFC in Hong Kong.

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

The Prospectus does not constitute an offer to sell or a solicitation to buy securities in Indonesia.

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

This document is considered for use solely by qualified investors and private professional clients (as defined in Article 26 (1) (b) and (d) of Consob Regulation No. 16990 dated 29 October 2007). If made available to Distributors and individuals authorized by Distributors to conduct promotion and marketing activity, it may only be used for the purpose for which it was conceived. The data and information contained in this document may not be used for communications with Supervisory Authorities. This document does not include any information to determine, in concrete terms, the investment inclination and, therefore, this document cannot and should not be the basis for making any investment decisions.

## Additional Information for investors with residence or seat in Japan

This document is considered for use solely by qualified investors and is distributed by Robeco Japan Company Limited, registered in Japan as a Financial Instruments Business Operator, [registered No. the Director of Kanto Local Financial Bureau (Financial Instruments Business Operator), No. 2780, Member of Japan Investment Advisors Association].

## Additional Information for investors with residence or seat in South Korea

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

## Additional Information for investors with residence or seat in Liechtenstein

This document is exclusively distributed to Liechtenstein-based, duly licensed financial intermediaries (such as banks, discretionary portfolio managers, insurance companies, fund of funds) which do not intend to invest on their own account into Fund(s) displayed in the document. This material is distributed by Robeco Switzerland Ltd, postal address: Josefstrasse 218, 8005 Zurich, Switzerland. LGT Bank Ltd., Herrengasse 12, R-9490 Vaduz, Liechtenstein acts as the representative and paying agent in Liechtenstein. The prospectus, the Key Investor Information Documents (KIDs), the articles of association, the annual and semi-annual reports of the Fund(s) may be obtained from the representative or via the website.

## Additional Information for investors with residence or seat in Malaysia

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

## Additional Information for investors with residence or seat in Mexico

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

## Additional Information for investors with residence or seat in Peru

The Fund has not been registered with the Superintendencia del Mercado de Valores (SMV) and is being placed by means of a private offer. SMV has not reviewed the information provided to the investor. This document is only for the exclusive use of institutional investors in Peru and is not for public distribution.

## Additional Information for investors with residence or seat in Singapore

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

## Additional Information for investors with residence or seat in Spain

Robeco Institutional Asset Management B.V., Suursal en España with identification number W0032687F and having its registered office in Madrid at Calle Serrano 47-149, is registered with the Spanish Commercial Registry in Madrid, in volume 19-957, page 190, section 8, sheet M-351927 and with the National Securities Market Commission (CNMV) in the Official Register of branches of European investment services companies, under number 24. The investment funds or SICAV mentioned in this document are regulated by the corresponding authorities of their country of origin and are registered in the Special Registry of the CNMV of Foreign Collective Investment Institutions marketed in Spain.

## Additional Information for investors with residence or seat in South Africa

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

## Additional Information for investors with residence or seat in Switzerland

The Fund(s) are domiciled in Luxembourg. This document is exclusively distributed in Switzerland to qualified investors as defined in the Swiss Collective Investment Schemes Act (CISA). This material is distributed by Robeco Switzerland Ltd, postal address: Josefstrasse 218, 8005 Zurich. ACOLIN Fund Services AG, postal address: Affolternstrasse 56, 8050 Zurich, acts as the Swiss representative of the Fund(s). UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zurich, postal address: Europastrasse 2, P.O. Box, CH-8152 Opfikon, acts as the Swiss paying agent. The prospectus, the Key Investor Information Documents (KIDs), the articles of association, the annual and semi-annual reports of the Fund(s), as well as the list of the purchases and sales which the Fund(s) has undertaken during the financial year, may be obtained, on simple request and free of charge, at the office of the Swiss representative ACOLIN Fund Services AG. The prospectuses are also available via the website.

## Additional Information relating to RobecoSAM-branded funds/services

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

## Additional Information for investors with residence or seat in Taiwan

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. This document has been distributed by Robeco Hong Kong Limited ("Robeco"). Robeco is regulated by the Securities and Futures Commission in Hong Kong.

## Additional Information for investors with residence or seat in Thailand

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

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

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

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

Robeco is temporarily deemed authorized and regulated by the Financial Conduct Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorization, are available on the Financial Conduct Authority's website.

## 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 September 27, 1996, as amended.