ROBECO
The Investment Engineers

There is no recovery without sustainability

Sustainability Report 2020

Sustainable Investing Expertise by
ROBECOSAM

Message from our CEO

There is no recovery without sustainability

At the start of 2020, the global economy was in a late phase of expansion. No one could have predicted that by mid-March, the economy would be plunged into the deepest global recession since the 1930s. Over the course of this difficult year, Robeco was able to continue serving its clients, thanks in large part to the resilience and flexibility of our employees.

Looking ahead, the recovery offers the world a unique chance to fully embrace sustainability. Because this is not just an economic crisis. It is a major global health crisis, brought on by a climate and biodiversity crisis. These are all interdependent, and as governments focus on reviving their economies and business adapts to new realities, we now have the opportunity to address the environmental, social and governance issues that are fundamental to a sustainable recovery.

This will require us to tackle three clear priorities. First, restore our planet's health. At the moment, global temperatures have risen by more than 1°C above pre-industrial levels, and more than one million animal and plant species face extinction. Secondly, wealth and well-being must be shared more widely. We must address rising inequality. And thirdly: without good governance at both governments and companies, no recovery will be sustainable.

I believe we have reached a tipping point, where the cost of inaction far outweighs the investment needed to have a positive impact. Such an investment will require all hands on deck. As investors, our role is to ensure our assets are put to work towards a sustainable recovery. This means not only allocating capital to companies who contribute positively to the future, but also engaging with companies to help them continually improve their ESG performance. That is essential to what Robeco is as a company.

We therefore start this report by talking about who we are. Then we show you how our strategy is implemented in our investment and distribution activities, in our own governance, and in our business operations. The report also serves as our official disclosure document for our commitment to the UN Global Compact, and gives insight into our contributions to the UN Sustainable Development Goals for 2030.

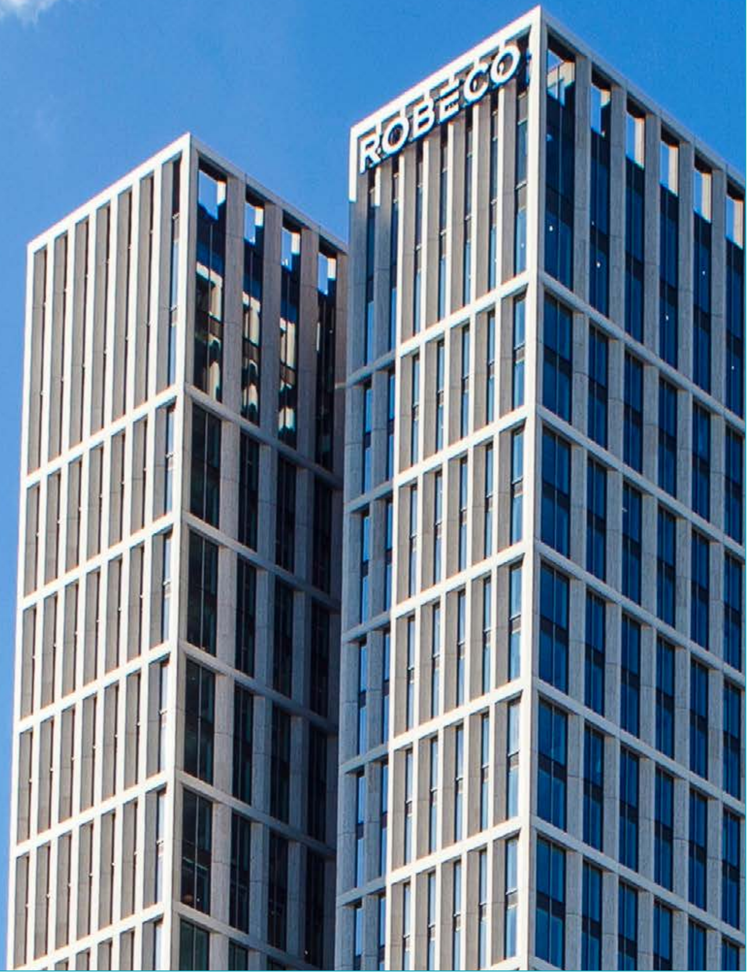
Starting this year we asked KPMG to provide limited assurance on this report. We are pleased with their observations and recommendations.

Gilbert Van Hassel
CEO and chairman of the Executive Committee of Robeco

Contents

ABOUT US

In this section, we give a short overview of our history, how we create value, and our strategic starting points. We also include an overview of our locations around the world, our key figures and developments in our industry, and several examples of how we continuously innovate.



WHO WE ARE

Robeco is a pure-play international asset manager using a combination of fundamental, sustainable, and quantitative research. We offer our clients an extensive selection of active investment strategies. These cover a broad range of asset classes built around our key strengths of sustainable investing (SI), quantitative investing, credits, emerging markets and trends and thematic investments. We serve three types of clients around the world:

1. Institutional investors such as pension plan sponsors and pension-related insurance companies, and official institutions such as sovereign wealth funds and central banks.
2. Wholesale clients such as global financial institutions and large private wealth managers.
3. Dutch private investors (our 'retail' business).

As the 'Investment Engineers', we have applied our 'pioneering but cautious' approach ever since our foundation in 1929. Robeco was one of the first asset managers to invest in emerging markets, to see the opportunities in and need for SI, and to adopt quantitative investing, all using advanced research techniques.

Research lies at the heart of everything we do: we believe that every investment strategy should be research-driven, drawing fully on investment managers, researchers, analysts and specialists to find the best ideas. Integrating ESG factors is our standard practice. Our operating style as a pure-play asset manager, using an active investment approach to seek outperformance, is still our forte today.

Robeco is wholly owned by ORIX Corporation Europe N.V. ('ORIX Europe'), a subsidiary of ORIX Corporation, a Japanese business conglomerate that started operating in 1964. The other main operating subsidiaries are Boston Partners, Transtrend, Harbor Capital Advisors and Canara Robeco. There is much crossover between these companies: each one draws from the expertise of the others, cooperating and combining strengths within ORIX Europe.

HOW WE CREATE VALUE

Our main activities and output aim to enable our clients to achieve their financial and sustainability goals. We do this by vesting intellectual capital in our employees, reward them fairly, and providing career opportunities and job satisfaction.

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

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

The value creation model

On the left side of the model (on the next page), we have listed the different sources of capital as defined by the International Integrated Reporting Council (IIRC). Other components on the left side are our relationships with stakeholders, and with supporting resources such as facilities and IT infrastructure.

We create added value on all of these different sources of capital through our activities, the outcome of which is listed on the right side. Here, we also show our indirect impact on society through the companies in which we invest. We aim to be an active owner of these companies. In order to contribute to how companies manage their ESG risks and opportunities, we have policies for stewardship and active ownership in place. More information on our impact through investments and active ownership can be found on page 31.

Value creation model

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

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

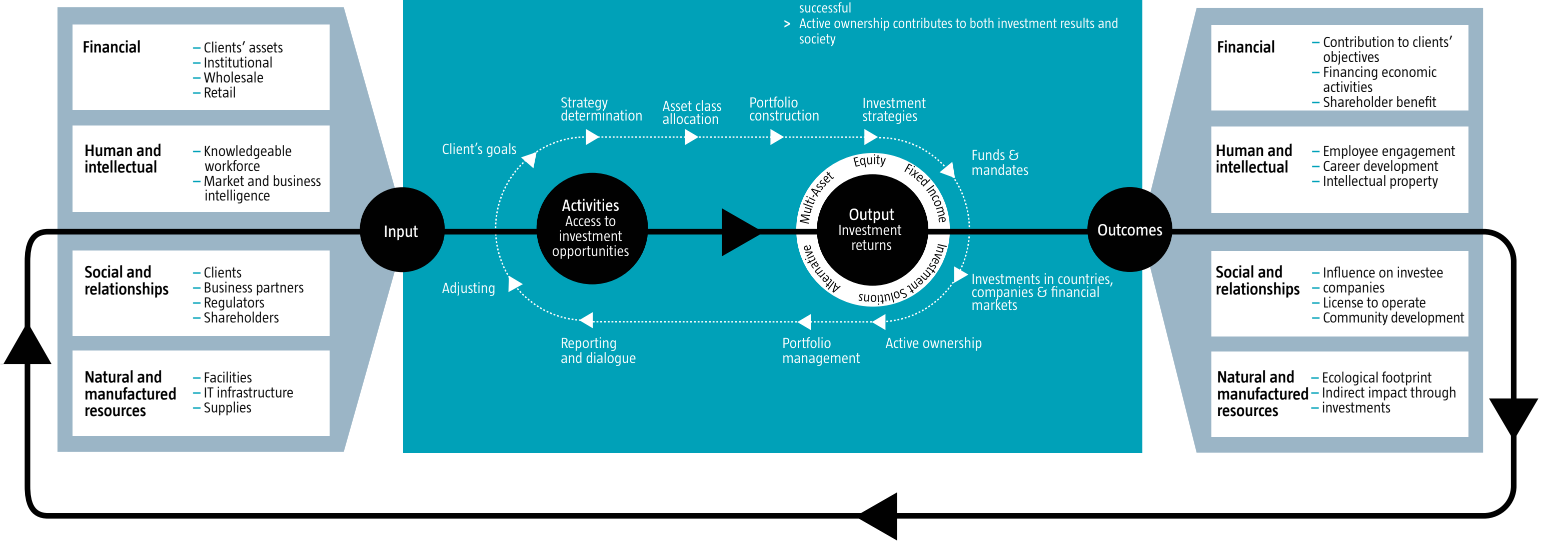
Strategy 2017-2021
Monetizing our intellectual property by creating profitable scale, while dealing with market headwinds and controlling our costs.

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

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

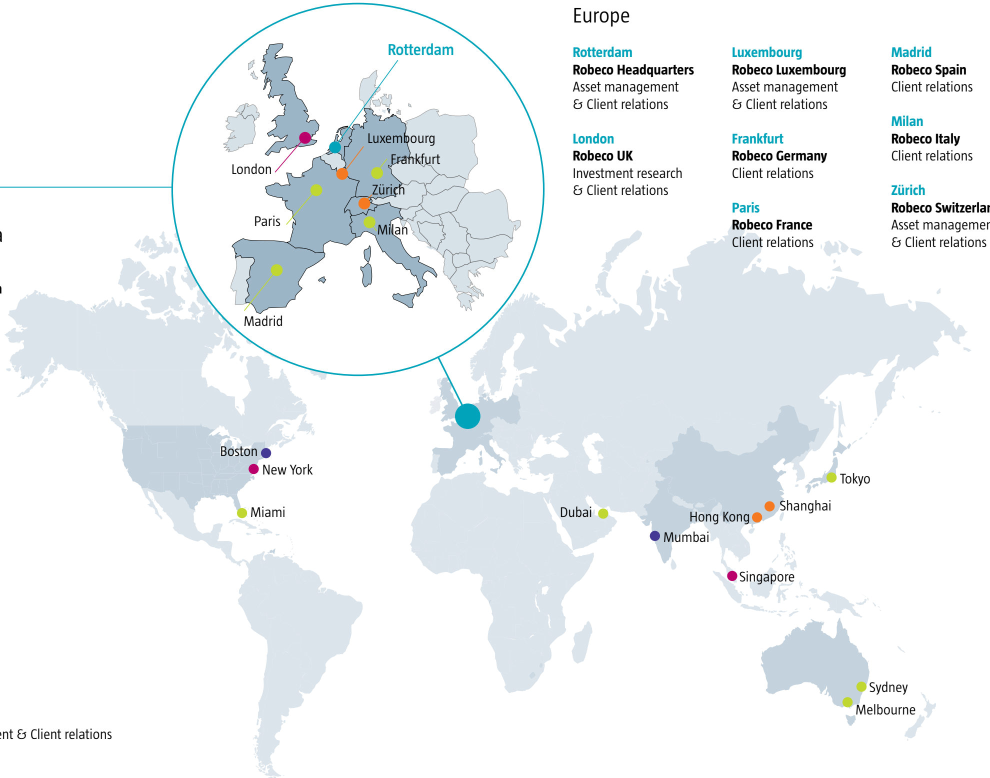
ESG integration
ESG integration leads to better-informed investment decisions and enhanced risk-adjusted returns throughout an economic cycle

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



OUR OFFICES

17
OFFICES
around
the world



North America

Miami
US Offshore & Latam
Client relations

New York
Robeco US
Investment research
& Client relations

Boston
Boston Partners
Asset management
& Client relations

Europe

Rotterdam
Robeco Headquarters
Asset management
& Client relations

London
Robeco UK
Investment research
& Client relations

Luxembourg
Robeco Luxembourg
Asset management
& Client relations

Frankfurt
Robeco Germany
Client relations

Paris
Robeco France
Client relations

Madrid
Robeco Spain
Client relations

Milan
Robeco Italy
Client relations

Zürich
Robeco Switzerland
Asset management
& Client relations

Middle East

Dubai
Robeco Middle East
Client relations

Asia Pacific

Hong Kong
Robeco Asia Pacific
Asset management
& Client relations

Tokyo
Robeco Japan
Client relations

Shanghai
Robeco China
Asset management
& Client relations

Singapore
Robeco Singapore
Investment research
& Client relations

Sydney
Robeco Australia
Client relations

Melbourne
Robeco Australia
Client relations

Mumbai
Canara Robeco
Asset management
& Client relations

- Asset management & Client relations
- Client relations
- Affiliated Robeco investment adviser
- Investment research & Client relations

OUR KEY FIGURES

EUR 176.1 BILLION
assets under management (AuM)

EUR 160.3 BILLION
managed in ESG-integrated assets
- Sustainability Inside 138.5
- Sustainability Focused 9.1
- Impact Investing 12.7

EUR 259.3 BILLION
assets under engagement

7,802
shareholder meetings voted

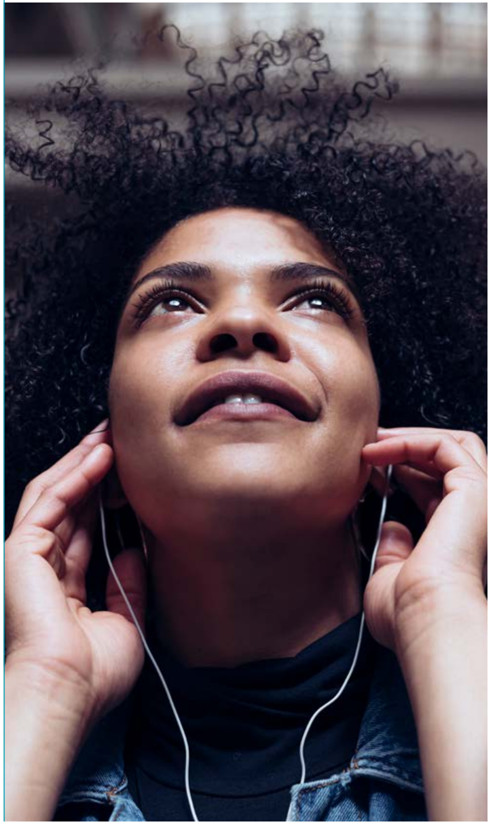
222
companies engaged

882
FTEs

Our long commitment and innovation in sustainability

1929	Founding of Robeco	
1995		Founding of RobecoSAM
1999	Launch Robeco Sustainable Equity fund	Cooperation with Dow Jones
2001		One of the world's first sustainable water funds
2004	World's first Sustainable Private Equity FoF and Clean Tech Private Equity FoF	
2005	Voting & Engagement service initiated	
2006	Among the first to sign the UN PRI	Among the first to sign the UN PRI
2007		RobecoSAM member of Robeco
2010	ESG integration in all capabilities	
2013		Smart ESG scores introduced
2014	Highest scores in all UN PRI categories	
2015		
2016	Robeco signs Dutch SDG investing agenda	Impact Investing platform launched
2017		Highest scores in all UN PRI categories
2018	Launch of Sustainable Global Impact Equities fund	
2019		ESG ratings sold to S&P
2020		RobecoSAM used as ingredient brand in Robeco communications
2021	Introduction Paris aligned fixed income climate funds	

WHAT WE BELIEVE IN



Our mission stems from our long-term vision of the investment industry and of society as whole and reflects our long-term business objectives.

MISSION

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

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

VISION

Safeguarding economic, environmental and social assets is a prerequisite for a healthy economy and the generation of attractive returns in the future. The investment industry's focus is therefore further shifting from solely creating wealth to creating wealth and well-being. We are one of the world's leading sustainable asset managers and are continuously improving and innovating.

Our investment beliefs drive us to accomplish our joint mission.

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

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

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

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

HOW WE WORK

Our core values serve as a touchstone for our daily work. They enhance a clear and shared identity and drive the behavior required for successfully executing our strategy:

Our values	
Client-centered	We always act in the best interest of our clients
Innovative	We are inquisitive and goal-driven
Sustainable	We act responsibly for society and Robeco
Connecting	We help others to be succesful

OUR STRATEGY

Our strategy for the period 2017-2021 is aimed at monetizing our intellectual property in combination with a continued focus on providing our clients with the best possible investment performance and services. During this strategic period, we are striving to accelerate growth in the UK, US, Italy, Australia, Japan and in the Asia-Pacific region. These countries offer the best opportunities for growth in the years to come.

Global financial institutions are also an important growth segment. In other countries, regions and market segments where we have a sales presence, our aim is to maintain current growth levels. In China, we continue to strengthen our presence so that we are prepared when the market opens up further. Total net inflows of client assets in 2017 – 2020 amounted to EUR 42.1 billion.

In terms of products and solutions, we focus on further increasing the scale of those investment capabilities that are currently among the world's best in terms of performance, investment process and consultant ratings. These include quant equities (including factor investing), credits, emerging markets equities, Asia-Pacific equities and trends & thematic investing. Also, in response to an increase in client interest, our fundamental global equities, global macro fixed income, fundamental multi-asset and quant allocation capabilities will continue to be strengthened. In addition, we intend to build, buy or seek strategic partnerships for capabilities that institutional investors are looking for in their search for yield. Due to strong inflows, we announced in July 2020 that our High Yield bonds funds had reached maximum capacity, and would therefore close.

SI is also a key strength, and sustainability is integrated across our investment capabilities. We have historically carried this out in close collaboration with RobecoSAM, and together we have a leading position in this area. In 2020, a number of changes took place that have brought our two companies ever closer. In January, we announced the completion of the sale of RobecoSAM's ESG ratings and benchmarking business to S&P Global, including the SAM Corporate Sustainability Assessment (CSA). We continue to have access to the CSA data for use in investment strategies, and continue to provide advice on the CSA methodology. The transaction allows us to focus on the interpretation and application of ESG data, as well as sustainable investing research for our core asset management activities.

In November, we announced that we would integrate the name "RobecoSAM" into our global brand strategy (see page 14 for further details). And, while there was no change to the business activities in Switzerland, these are now carried out under a new legal name: Robeco Schweiz AG. Also in November, all RobecoSAM-named funds were transferred to the Robeco Capital Growth Fund platform, so that both Robeco and RobecoSAM-named funds run on one strong, unified platform. The RobecoSAM name is used for our thematic, equity and fixed income Impact Investing strategies.

We also decided to exclude companies that derive 25% or more of their revenues from thermal coal (power generation or mining) or oil sands, or 10% from Arctic drilling, from our mutual funds. The process of excluding fossil fuel companies engaged in these activities was completed by the end of Q4 2020. The move is aimed to contribute to our efforts to lower the carbon footprint of our investments.

A number of strategic organizational changes were made or completed in 2020. The outsourcing of Robeco's operations and administration activities to JP Morgan, announced in 2018, was completed in July. The outsourcing of operations activities did not lead to changes in investment policies and teams. Client portfolios

continue to be managed according to their investment policies by the responsible portfolio managers and portfolio management teams. Furthermore, we decided to merge Robeco Luxembourg S.A. into Robeco Institutional Asset Management B.V., which took effect per 1 January 2021. As of that date, the responsibilities for managing and overseeing Robeco's Luxembourg domiciled funds were transferred to the Netherlands. There will be no change to the services provided to Robeco's investors.

Finally, in June, following a review of the strategic positioning of our private equity business, we announced that Stafford Capital Partners had acquired Robeco's private equity business.

Outlook 2021 - 2025

In February 2021, we announced our new strategy for the coming 5-year period which aims to build on the success of our current trajectory and further focus on our key strengths: SI, Quant, Credits, Trends and Thematic and Emerging Markets. We will also establish an ambitious climate strategy, including a decarbonization trajectory and forward-looking indicators. Carbon objectives will be set for all our funds, aiming for an average of 7% reductions per annum, to help meet our net-zero 2050 ambition. Also, new areas of growth potential have been identified to support the acceleration achieved in our key distribution markets. We will aim to grow our penetration of the insurance market, and broaden our coverage of wholesale markets in targeted areas.

SI strategy

In addition, sustainability will be further integrated throughout our entire company, not only in our products and services but also in our operations and our people. To set the next step, our SI focused investment professionals were united in a single SI Center of Expertise in May. This Center will help to improve alignment and expand our expertise and thought leadership in SI. It will also improve information flows to our investment professionals and communication with clients. The Center consists of four pillars: SI Thought Leadership, SI Client Portfolio Managers (CPMs), SI Research, and Active Ownership:

- A new team will maintain and advance our SI thought leadership position, with specific attention to climate change and the SDGs. We will also strengthen our connections with academia and even more robustly embed our SI work in academic research.
- SI CPMs will aim to increase alignment in communication towards clients regarding our SI activities, and build SI knowledge in the existing CPM teams and across the broader organization.
- SI Research will continue to focus on generating high-quality sustainability research related to companies and sectors.
- Active Ownership is responsible for our global voting and engagement activities. See page 31 for more details.

OUR BRAND AND PRODUCTS

Our brand

Robeco is one of the leading asset management brands across Europe and is widely considered by the investment industry to be the world leader in SI. Our branding and business proposition remains based on key strengths:

- Sustainable investing (SI)
- Quant investing
- Trends and thematic investing
- Credits investing
- Emerging markets investing.

One of Robeco's major brand strengths is the routine integration of ESG factors into the decision-making investment process for the entire range of fundamental equity, fixed income, quantitative and specialist sustainability funds. We believe that our commitment to ESG integration, combined with extensive use of active ownership, is unique in the European asset management industry.

Robeco achieved the much-coveted top-five status in the annual Broadridge asset manager brand rankings in March 2020, in a performance described as "shaking up the rankings of the elite cross-border brands". Robeco has steadily risen over the years into fifth place, and remains number one in Europe for sustainability.

Rebranding RobecoSAM

Zurich-based RobecoSAM was renamed as Robeco Switzerland in November 2020. RobecoSAM remains an ingredient brand for selected SI research and intelligence that is used throughout Robeco, including proprietary research such as the scoring contained within the biannual Country ESG Ranking. The name has also been retained for labeling the range of impact investing products offered from Switzerland, led by funds focused on the Sustainable Development Goals (SDGs), gender equality, lifestyle, and 'smart' materials.

Our products

The Robeco product range consists of 151 investment funds, including some that retain the RobecoSAM name. They are classified according to 56 strategy types and are sub-divided further into three levels of sustainability integration; see page 26 for all details.

Marketing our products in these unprecedented times

The year in which the Covid-19 pandemic brought the world to a standstill presented both challenges and opportunities. When the severity of the virus and the containment measures that were needed became apparent in March, the first job was to reassure clients that our fund management capabilities were unaffected. Although working remotely became the norm for most staff when communal office work was no longer possible, we were able to continue as before. Moreover, the pandemic required us to be more innovative when it came to communicating with clients. For example, we produced and weekly portfolio manager's updates for the highest profile funds, outlining what the asset management teams were doing to position themselves. This service continued for several months until clients let us know they were happy to return to the normal monthly delivery of updates.

Perhaps the greatest innovation was the regular webinars and digital broadcasting events we hosted across a range of asset classes. These ranged from how the pandemic was actually accelerating certain consumer trends such as streaming and food delivery.

We also produced regular market insights and podcasts to try to cut through the noise and focus on what lockdowns, economic upheaval and a whole new way of working meant for investing. While there were clear losers in the travel and hospitality industries, there were also winners in businesses such as home entertainment and cashless payments. The longer-term after-effects of Covid-19 took center stage in what is consistently our most downloaded piece of content, the Expected Returns 2021-2025 five-year outlook, titled 'Brave real world'.

HOW WE CONSTANTLY INNOVATE

For Robeco, innovation is a key driver for service reliability, customer experience, retention and inflow of assets, cost effectiveness, and investment performance. To remain successful in a highly competitive market, we need to innovate and transform through technology. To this end we have built a culture which fosters and encourages such innovation and effective application of new technology.

Investing in technology to boost innovation

We invested significantly in new technology in 2020. Some examples are:

- Continued development and roll-out of a secure and interactive online reporting platform for institutional clients: the MyRobeco client portal.
- Introduction of Robotics Process Automation technology (RPA) to automate labor-intensive, repetitive manual tasks throughout the organization.
- Continued shift to a real-time application integration architecture within IT. The move to internet-accessible micro-services or Application Programming Interfaces (APIs) is a key component of our IT strategy.
- Roll-out of a new, cloud managed IT workplace (Microsoft Managed Desktop) to all employees.
- Adopting vendor-managed commodity services which enables Robeco to focus IT resources and talent on bespoke solutions for our core asset management business processes.
- New, data-intensive investment portfolio rebalancing algorithms aimed at driving investment performance.

In 2021, we will continue several projects aimed at delivering new features for client reporting, advanced portfolio optimization and customer service. Sustainability is a key element in our IT strategy. For instance, laptops and mobile phones at the end of their life cycle are sold to be refurbished and remarketed, or donated to worthy causes.

Investing in information security[1]

Information and data are vital to us. Therefore, protecting our customers', employees' and our own data is a top priority. Our business processes rely on data that has an appropriate level of:

- Availability: ensuring that information is available when required.
- Integrity: safeguarding the accuracy and completeness of information.
- Confidentiality, ensuring that information is accessible only to those authorized to see it.

Governance

We apply a comprehensive set of policies, standards and best practices referred to as an information security framework. Our information security policy is based on the ISO27001 standard. Compliance with this policy is monitored. Security practices such as vulnerability management, patch management, system hardening, and security monitoring are subject to a control cycle and reported on frequently. A formal governance and reporting structure is in place with our key (IT) service providers. Information and cybersecurity constitutes part of the Chief Operating Officer's (COO) responsibilities. Next to this, our Chief Information Security Officer heads the information security function and reports directly to the COO and functionally to our Executive Committee.

1. We consider cyber security an integral part of information security.

Highlights in 2020

- Covid-19 changed the landscape for threats related to cybersecurity , but did not impact Robeco's level of security. Threats related to the use of insecure mobile devices and unsanctioned cloud-based file-sharing services increased. The impact of these threats for Robeco, however, was very limited, because the architecture of our mobile workplace affords the same required level of protection to those working in the office or remotely.
- Although Covid-19 was often used as a theme in attacks such as in phishing emails, overall volumes of phishing did not grow significantly.
- In response to the increased focus on our cybersecurity position from many external stakeholders including regulators and clients, an information security assurance officer was added to our information security team.
- To keep pace with the ever-increasing cyber threats, we have continued to improve the use of advanced security tooling, especially for data protection, data loss (DLP), secure cloud access (CASB), and security monitoring (SIEM). This went hand in hand with further improving employee awareness and behavior.
- Besides preventive security measures, Robeco invested in resilience by strengthening detection and quick response capabilities, including penetration tests and 'red team' exercises.

Outlook

We have a cybersecurity radar which includes our threat outlook and corresponding solutions to manage these threats. The threat scores (estimated probability and impact), their risks and the impact of the solutions is included. Robeco continually adapts to developments in current threats, and our cybersecurity analyst reports are used as input for the cybersecurity radar and to identify changes in the threat landscape. The cybersecurity radar is reviewed and updated periodically. Specific threats currently high on our radar include the proliferation and professionalization of ransomware, threats delivered through malicious emails, and ongoing social engineering attacks against both our employees and our customers. Our key challenge for the future is to keep pace with these rapidly evolving cyber threats. Therefore we need to:

- Maintain our sound security foundation and level of cyber resilience.
- Make optimal use of the security monitoring and analytics tooling.
- Keep control over our continuously changing IT ecosystem and supply chain, including technology, providers and business partners, and actively participate in (external) cybersecurity communities to share intelligence on threats and good practices.

Innovating our products

To ensure that we continuously innovate to keep fulfilling our clients' financial and sustainability goals, we work closely with them to develop products that meet their needs and ideally can be marketed to a wider audience. A few examples of such joint efforts are:

- Building new investment strategies that create added value.
- Enhancing the global appeal of our investment strategies by exploring new fund structures, domiciles or other means of utilizing our intellectual property, while catering to specific client preferences.
- Co-developing new customized products to match our clients' investment objectives on risk and return, sustainability, and investment universe dimensions.

Examples of innovative products that we have launched are:

- Robeco Sustainable Asian Stars Equities, a high-conviction sustainable equity strategy with a better ESG profile and a 20% lower environmental footprint than its reference benchmark (MSCI All Country Asia ex Japan).
- RobecoSAM Circular Economy Equities, which invests in listed companies that address the opportunities created by the shift in traditional production and consumption patterns toward a circular economy.
- RobecoSAM Global Green Bonds; Robeco already includes green bonds in most of its existing fixed income strategies, but to meet demand among investors for a standalone capability, RobecoSAM Global Green Bonds was introduced.
- RobecoSAM Global Climate Fixed Income capability. In December 2020, Robeco launched two new climate fixed income funds: Robeco Climate Global Bonds and Robeco Climate Global Credit, for which the investment strategy is fully aligned with the Paris Agreement.

Examples of enhancing the global appeal of our investment strategies:

- Seven RobecoSAM thematic investment strategies were brought over to the Robeco Capital Growth Funds SICAV. As a result, the thematic investment strategies are now bundled in this umbrella fund structure.
- The launch of the Robeco SDG Credit Income Fund (AUD Hedged) in Australia. This is a local feeder fund into the Luxembourg master fund.

The outlook for 2021 and beyond is to intensify the development of our innovative SDG and climate funds and engagement strategies, all of which aim to increase our sustainable assets under management in both relative and absolute terms.

MATERIALITY ANALYSIS

In 2020, we conducted an update of our survey among stakeholders in order to establish what they expect from us in terms of sustainability themes and reporting. We identified four groups of stakeholders with different interests and needs: clients, employees, oversight bodies and representatives from the SI landscape. This last group included academia, NGOs, and investor collaboration groups. The survey resulted in a list of material topics, divided into three sustainability dimensions:

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

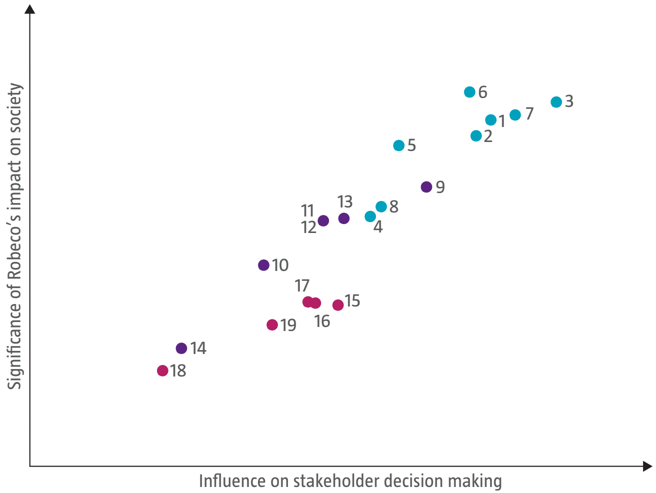
These have been plotted according to how significant they are for our stakeholders, resulting in a materiality matrix.

General results

In the overall assessment for all groups of stakeholders, financial investment performance was again deemed an important material topic. Our stakeholders expect us to generate a healthy financial return, as they think this is where we make the greatest impact on society. Compared to our 2017 materiality assessment, the topics of ESG integration, active ownership and long-term value creation gained momentum. The newly added topic of climate change portfolio strategy directly scores in the top right corner.

A cluster of material topics in the center of the matrix refers to governance: business ethics, risk management and compliance; the remuneration policy for executives and employees; and the responsibilities and the accountability of the executive board.

Materiality matrix overall



1. Active ownership
2. Climate change portfolio strategy
3. ESG integration in investment decisions
4. Exclusions from the investment universe
5. Fair advice to customers
6. Investment performance (financial)
7. Long term value creation
8. Sustainability targeted product design
9. Business ethics
10. Cybersecurity and data privacy
11. Remuneration policy for executives and employees
12. Responsibilities and accountability of the board
13. Risk management and compliance
14. Tax policy
15. Diversity, inclusion and non-discrimination
16. Employment conditions
17. Environmental footprint of Robeco's own operations
18. Procurement practices
19. Social commitment

● Investments & Distribution ● Governance ● Business operations

Regarding our business operations, the most material topic according to our stakeholders is diversity, inclusion and non-discrimination.

Results for stakeholder groups

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

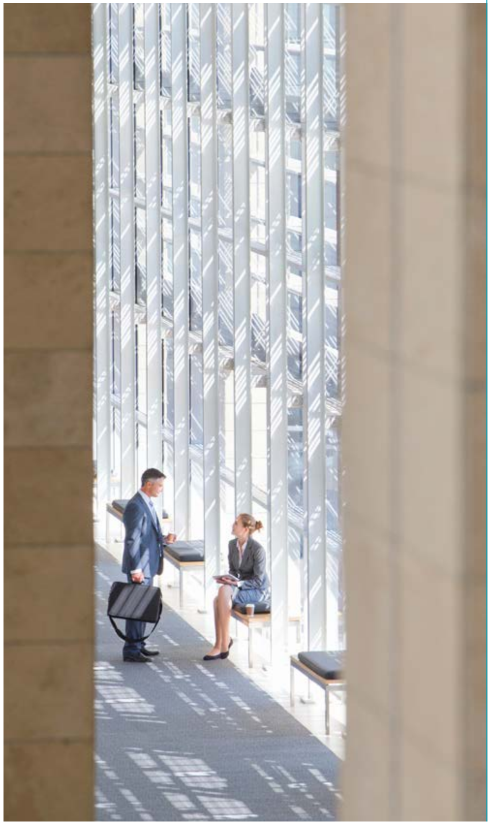
Clients judge investment-related topics as being far more material than the other two categories. The top five material topics identified by our clients are investment performance, ESG integration in investment decisions, active ownership, long-term value creation and climate change portfolio strategy. These are discussed in the 'Investments' section of this report.

Although investment-related topics also receive high scores from our employees, they are tied with business ethics. Other material topics for employees are diversity, inclusion and non-discrimination, and the environmental footprint of our own operations. The final section of this report deals with those two topics.

The SI landscape group prioritized ESG integration in investment decisions, having a climate change portfolio strategy, long-term value creation and active ownership over investment performance (financial). This does not come as a surprise, as these organizations are focused on the impact investors can have through integrating ESG aspects into their core business processes of investment management and responsible stewardship. The second section of this report highlights our strategy execution and key developments.

The group comprising oversight bodies showed a strong focus on giving fair advice to customers, business ethics and responsibilities, and accountability of the executive board, alongside investment performance and long-term value creation. Business ethics and responsibilities and the accountability of the executive board are covered in the 'Governance' section of this report.

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



HOW THE FINANCIAL MARKETS DEVELOPED IN 2020

The end of 2019 saw the global economy in a late phase of economic expansion. The pick-up in leading indicators early on in January 2020, spurred by the long awaited Phase 1 trade agreement between the US and China on 15 January, seemed promising. Unfortunately, later that month an exogenous shock emerged as the Covid-19 virus started to spread across the globe. At the end of the first quarter of 2020, the economy plunged into the deepest global recession since the 1930s, peaking around April as a result of a widespread economic and social lockdown.

This was the result of governments attempting to contain the spread of the virus, after the World Health Organization declared a pandemic on 11 March. Real GDP declined by 6.8% in China in the first quarter, while US GDP fell by 31.4% at an annualized rate in the second quarter. As the Covid-19 infection curves started to flatten in response to severe lockdowns, subsequent gradual re-openings led to economic activity picking up in May and June, with an early, lopsided recovery extending into the third quarter of 2020.

However, as the virus re-emerged as a second Covid-19 wave in August, the policy pendulum began to swing back and forth between re-openings and lockdowns, leading to economic momentum stalling in the fourth quarter. The International Monetary Fund estimates that global GDP contracted by 3.5% in 2020, despite the global rebound in activity observed since April, with China already fully recovering lost output by the fourth quarter of 2020. The economic recovery from the Covid-19 pandemic remained uneven and incomplete at the end of the year.

In the absence of herd immunity, governments continue to face a 'trilemma' between solving the health crisis, maintaining economic momentum and safeguarding personal freedoms. The policy stimulus to mitigate the damage to the real economy from lockdowns has been significant, with central banks lowering interest rates to the effective lower bound, and governments stimulating their economies to such an extent that global sovereign debt-to-GDP levels for advanced G20 economies are now the highest they have been in 150 years.

In addition to Covid-19, 2020 witnessed a number of other major events. Donald Trump lost the US presidential election in November, and with the run-off Senate elections in Georgia, the Democrats now enjoy a majority in the House of Representatives and effective control of the Senate. On Christmas Eve, British Prime Minister Boris Johnson managed to announce a post-Brexit trade deal. The new trade relations between the EU and the UK will resemble the Canadian model, with tariff-free flows of goods between the EU and the UK. However, services are subject to import and export duties.

Outlook for the equity markets

In 2020, financial markets were clearly rewarding countries that addressed the pandemic quickly and effectively. Although the MSCI World Index only gained 6.3% (unhedged in euros), countries that managed Covid-19 well such as South Korea (+32.5%) and China (+29.5%) enjoyed strong outperformances. As they wait for the arrival of vaccines and the ensuing herd immunity, the quality of government responses to Covid-19 will remain a pricing determinant in cross-country financial market outcomes.

2020 was a truly historic year for many equity indices, with a massive, tech-led relief rally after the global recession peaked in March. After falling 34%, the S&P 500 rallied 47% since the bottom of 23 March. Abundant global liquidity from central banks and swift fiscal stimulus from governments led to strong multiple expansion, even as the recession lingered.

Looking ahead, the enhanced coordination between monetary and fiscal policy, with central banks acting as credible fiscal financiers, will be supportive for equity markets. Excess liquidity and increasingly targeted fiscal stimulus will likely sustain equity valuations. Nonetheless, the easy gains have been realized. The onus now is on earnings growth to accelerate in order to boost equity returns.

We think earnings growth around the 20% mark in 2021 is a realistic assumption given the early expansion phase of the business cycle. High private savings, increasing optimism among CEOs, positive wealth effects from a resilient housing market, and the continuing low interest rate environment will boost consumption and investments as herd immunity against Covid-19 becomes within reach. Upside risk to our equity outlook is that the global economic recovery is more swift and highly synchronized compared to consensus expectations. In the current environment of abundant excess liquidity and ongoing fiscal stimulus this could catapult market sentiment from rational exuberance into irrational euphoria, stretching valuation levels even further. Downside risks to our equity outlook are an unanticipated slowdown in the trajectory towards herd immunity or an economically unwarranted steep rise in (real) long term interest rates due to a hiccup in central bank forward guidance.

Outlook for the bond markets

Central bank and fiscal stimulus and the outlook for the economic recovery due to the vaccine roll-out are now such that we expect official interest rates to remain low for several years to come with many government bond yields rangebound. The US may at some point be the first to raise rates, but we do not expect this in 2021. The good news is that inflation is not expected to rise either, as overcapacity in the economy remains significant and digitalization will not be reversed this year.

Still, the reopening of the global economy will lead to a temporary cyclical uplift in inflation due to base effects, pent-up demand, and temporary supply bottlenecks. We largely expect most government bond yields to be range bound, especially in Europe and Japan, but we do note that the cyclical inflation outlook can put some upward pressure on longer dated bond yields. We also expect government bond yields to have more upside potential in US and UK as both economies are more inflation sensitive than Europe and Japan.

There are, however, still several opportunities for bond investors. Duration risk can still generate some performance in emerging markets, for instance. In many emerging countries, central bank policy rates are positive and central banks still have ample room to lower them. Furthermore, with its new policy framework, the US Federal Reserve will keep interest rates very low and set the tone for a weak US dollar, which will support emerging markets assets to a certain degree.

2021 sees us taking a conservative approach in corporate bonds as we think risk premia in that asset class are insufficient compensation for the risk as credit spreads are approaching multi-year lows at the time of writing. We think high yield bonds are particularly vulnerable as they might suffer much higher default rates than rating agencies are projecting as those companies do not have access to the same government and monetary stimulus that high grade companies have.

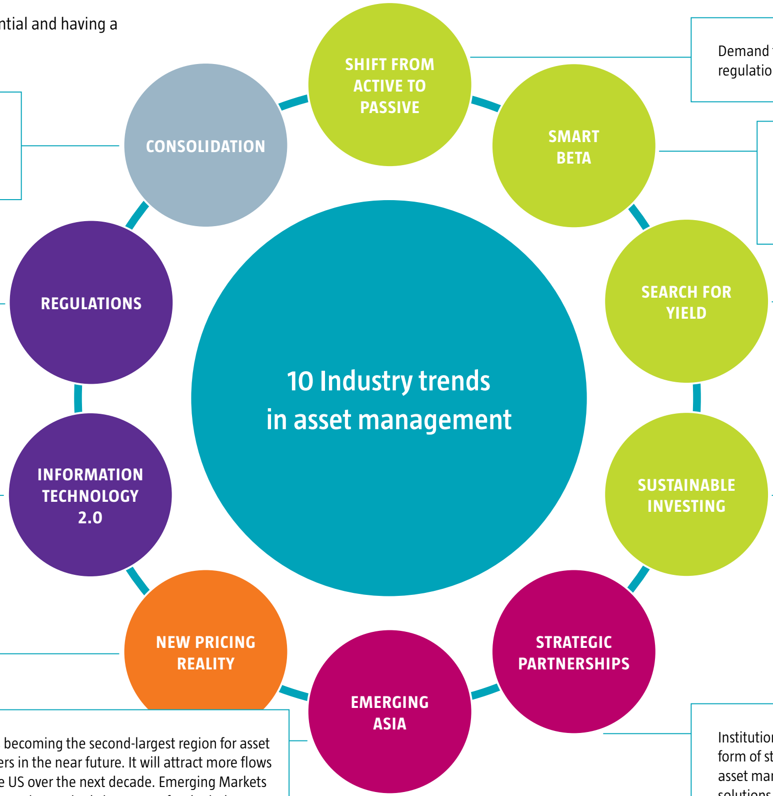
As coronavirus fears recede in 2021 and 2022, catching up with the goals of the Paris Agreement means an acceleration of re-allocation of financial resources to green purposes and we expect that green and social bond financing will be an opportunity of great interest.

Market impact Covid-19

We consider the ongoing Covid-19 pandemic as a significant event which may impact the investment funds under management. The impact of the pandemic on people, companies and the economy at large remain uncertain. Pending herd immunity as a result of a substantial vaccination rate, the global economy will, however, still be impacted by opening and closing of (business) operations. Furthermore, a slowdown in the trajectory towards herd immunity as a result of risks relating to vaccine logistics, vaccine side effects, reduced effectiveness, or public resistance to (mandatory) vaccination, may have a negative impact on markets.

HOW OUR INDUSTRY DEVELOPED IN 2020

In 2020, we saw these ten developments as essential and having a long-term impact on our industry.



Industry consolidation is gaining speed as managers try to scale up, extend their presence in high-growth areas like alternatives and ETFs via m&a or team lifts. Also m&a in fintec companies for eg data, service, distribution activities.

Numerous regulations are being implemented in Europe The most disruptive one being MiFID II. It fundamentally changes the way products are distributed. Regulators become more stringent on AML/KYC triggering asset managers to professionalize Client Life Cycle Management with better tooling and client data.

The Information Technology landscape is changing rigorously. Keeping up with the newest technology will be key for asset managers to stay relevant. The Covid-19 pandemic gave a boast to further digitalization of asset managers. Key trends will be artificial intelligence and, machine learning to discover alternative data sets for portfolio management, blockchain and robotics.

Due to a power shift in favor of distributors & intermediaries a new dynamic around management fees has emerged. This dynamic differs per type of product. Eg for pure passive ETF's a race to the bottom has started, for good performing active strategies or alternatives there is less price pressure, underperforming active strategies experience significant price pressure.

China is becoming the second-largest region for asset managers in the near future. It will attract more flows than the US over the next decade. Emerging Markets will become increasingly important for the industry.

Demand for passive products keeps growing due to regulations, low fees and disappointing active returns.

Low-cost actively managed "Smart Beta" products based on factors (low volatility, value, momentum, quality, size) packaged either in funds, mandates or indices are becoming a core part of the portfolio.

Low interest rates and market volatility have investors searching for yield within "alternative" yielding assets in the private market such as infrastructure, real estate and private equity.

The Covid-19 pandemic reinforced the trend of Sustainable Investing and ESG integration becoming mainstream. Increasing regulation and client demand drive need for better ESG data & reporting. More advanced managers launch products meeting both financial and sustainable goals. Also impact strategies contributing to eg UN "Social Development Goals" or addressing 2015 Paris Agreement Climate goals on global warming.

Institutional investors are looking for solution providers in the form of strategic partnerships. Investors turn to specialized asset managers capable of providing specialized bespoke solutions in various areas such as ESG.

OUR FINANCIAL RESULTS

Our gross margin over the reporting year was EUR 460.8 million, EUR 7.9 million (2%) higher than in 2019. The main drivers for this were higher performance and service fees combined with a shift to managing assets that were able to generate higher fees. This was partly offset by the effects of fee compression, the costs of our middle office outsourcing during 2020, and the discontinuation of our fiduciary management services.

During 2020, the financial markets were mostly bullish, and the related market impact on our assets under management was positive. This made up for the significant market downturn in February and March 2020 due to the Covid-19 pandemic. Total client assets (assets managed, sub-advised or distributed) amounted to around EUR 176.1 billion at 31 December 2020 (EUR 171.7 billion at 31 December 2019).

Operating costs decreased by EUR 2.8 million (1%) in 2020 to EUR 324.8 million, due to lower travel and marketing costs (Covid-19 related) and lower severance costs. This was partly offset by higher project-related costs relating to remediation and strategic programs.

The 'non-operating' result relates to seeding portfolios, interest and foreign exchange charges.

Our management considers Robeco's financial position to be sound. All relevant capital (regulatory) requirements of the Robeco legal entities are being met.

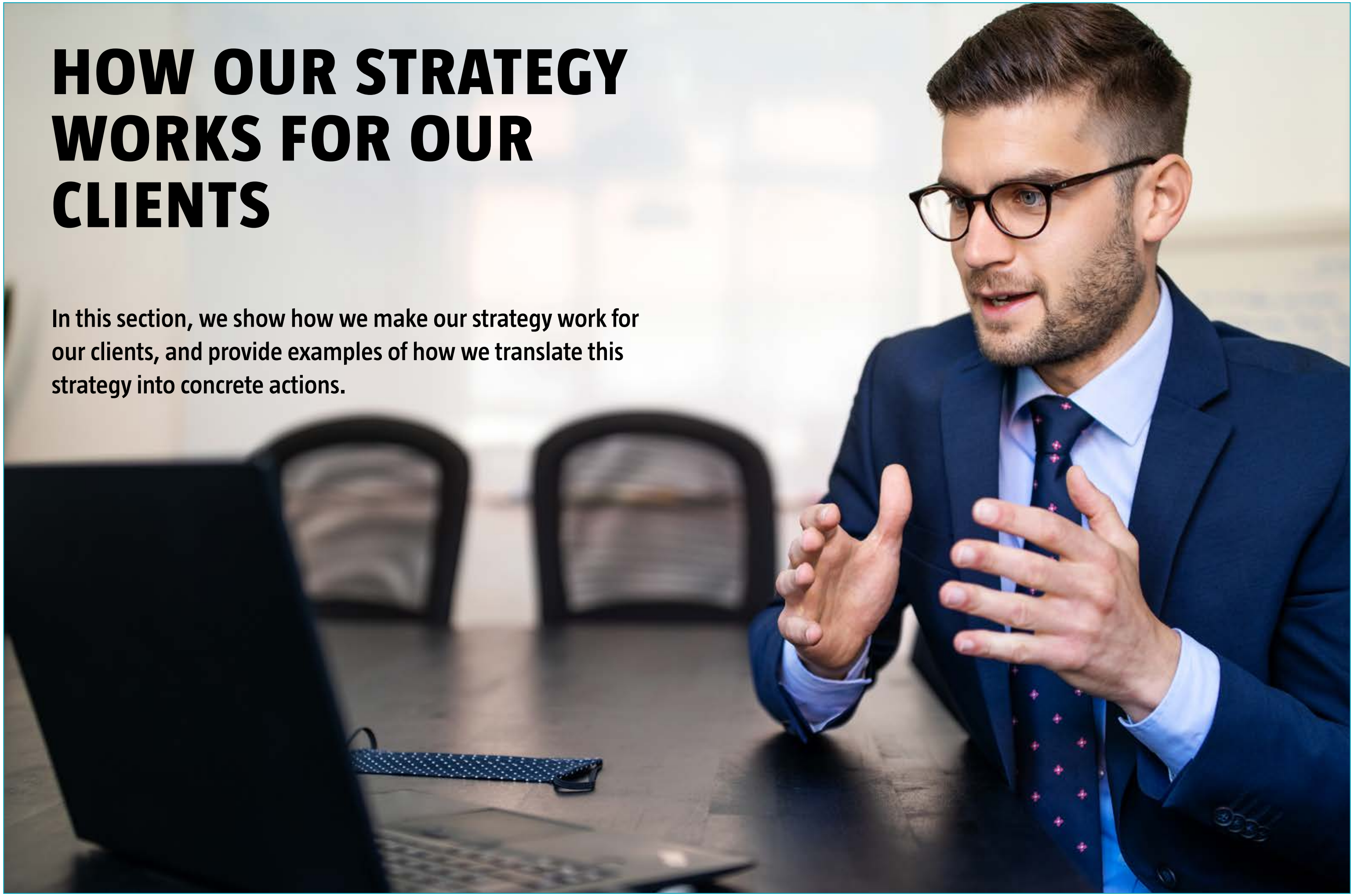
Financial results

	2020	2019	2018
Assets under management - AuM (EUR x billion)			
Assets under management[1]	176.1	171.7	132.5
Assets under advice[2]	0	1.8	31.0
Total AuM	176.1	173.5	163.5
Financial results (EUR x million)			
Gross margin	**460.8**	**452.9**	**457.5**
Operating expenses	**-324.8**	**-327.6**	**-323.0**
Operating result	**136.0**	**125.2**	**134.4**
Non-operating result[3]	-7.7	0.2	-6.5
Result from group and associated companies	0	-3.9	1.6
Taxes	-33.6	-29.5	-32.4
Net result for the year	**94.7**	**92.0**	**97.2**

1. Assets under management includes assets managed, sub-advised or distributed by Robeco Institutional Asset Management, Robeco Switzerland and other subsidiaries of Robeco Holding.
2. Assets under advice includes fiduciary management
3. The non-operating results exclude the proceeds of the sale of our ESG ratings and benchmarking business to S&P Global

HOW OUR STRATEGY WORKS FOR OUR CLIENTS

In this section, we show how we make our strategy work for our clients, and provide examples of how we translate this strategy into concrete actions.



SERVING OUR CLIENTS

We distinguish between three segments: institutional clients, wholesale clients, and Dutch retail clients.

How we serve our institutional and wholesale clients

To ensure our clients' interests are always our starting point, we join syndicated research initiatives to obtain feedback on our products and services and to gain insight into areas for improvement. In addition to research initiatives, we facilitate personal interaction between our institutional and wholesale clients on one hand, and senior management, account managers portfolio managers and client service teams on the other. An example of this is the utilization of virtual teams, where we work closely together with the Sales teams to share their knowledge on specific matters (region driven, such as new business, new regulations, supporting sales office in servicing existing clients) in order to have a good understanding of the market circumstances in the specific region.

Launching the MyRobeco client portal allows us to curate all relevant information about our clients' portfolio(s) in one place. One enhancement to the platform is the improved visualization of impact data for equity and fixed income. This also extends to sovereign-level information, such as translating the biannual Country Sustainability Ranking into portfolio-level ESG reporting.

To further optimize the interactions with our clients, communications between clients, sales, client services and other stakeholders are tracked and stored in a centralized CRM system, resulting in a more efficient process and a faster response. We started the development of a centralized onboarding platform to have better insight and oversight. As part of this development, a dedicated global Know Your Customer center was set up to prepare for the increase of rules and regulations that will be seen in 2021.

How we serve our retail clients

Robeco Retail is our direct distribution channel for Dutch retail clients. We believe in making investing possible for everyone, as we are convinced that everyone should be able to invest in a responsible manner without the hassle of difficult terminology, high fees, and complex products. That's why the investment threshold is as low as EUR 50. In 2013, we were the first asset manager in the Netherlands to introduce this 'investing for everyone' proposition. We score 8 on customer satisfaction.

Robeco ONE Duurzaam continued to be the most popular choice for new Robeco ONE customers. Overall in 2020 32% of our retail clients (versus 29% in 2019) invested in a sustainable fund.

In 2020, the AFM has determined that Robeco must undertake a number of remedial measures to improve the processes in relation to the Money Laundering and Terrorist Financing (Prevention) Act ('Wwft') and the Sanctions Act ('Sw') in Robeco Retail, Robeco's on-line execution-only platform for Dutch retail customers. The improvements have commenced in 2020 and are scheduled to be completed by the end of 2021.

Subsequent to the above, and as a separate matter, the AFM has indicated that it has concerns about the way in which Robeco has set up its business operations. Robeco has engaged with the AFM to substantiate Robeco's views in this respect.

To ensure full compliance while ensuring our business model remains future proof, we decided in early 2021 to stop accepting new direct retail clients until further notice in order to focus on our existing clients. Currently, there is no indication of any actual incidents in which a Robeco account was used for the purposes of money laundering or terrorist financing, nor of any failures to enforce sanctions.

DEVELOPING SUSTAINABILITY SOLUTIONS FOR CLIENTS

2020 brought with it many challenges, both socially and economically. The market for sustainable investments continued to grow, however. Sustainable and exchange-traded funds (ETFs) outperformed in 2020 and specifically during the downturn. This was mainly driven by a size and sector effect – sustainable funds have less exposure to 'old' capital intensive industries such as energy and more exposure to technology, healthcare and the more innovative industries that profited from the Covid-19 lockdowns.

The key period of outperformance at the height of the lockdowns was relatively short. However, the good news is that research from Morningstar into about 5,000 funds domiciled in Europe in June 2020 shows that there is no performance trade-off associated with sustainable funds. In fact, a majority of them have outperformed their traditional peers over multiple time horizons of up to 10 years. Fund flows have also remained healthy compared to more traditional peers.

With data confirming our longstanding belief in the performance of SI, Robeco further broadened its sustainable fund range and deepened its research, expertise and approach to ESG integration in 2020. This is in line with our targets to be achieved at the end of our strategic plan in 2021.

In the table below, we elaborate on this.

Investments	Status
Quality of SI approach: PRI A+ score for all modules	In 2020 Robeco again achieved A+ scores for all PRI modules. Robeco was also named in the PRI leaders group based on our climate-related approach and reporting standards.
Climate action: Decrease the carbon intensity of our funds aligned with the Paris Agreement	We put a lot of effort in further developing our approach towards climate change. Please see page 28 for more information on this.
ESG integration: implement ESG quality control for all asset classes/teams	A full quality control framework for ESG integration was put in place and executed, and specific targets were set for 2021.

Sustainability research	
Execute plan to strengthen sustainability profiles (these are short reports containing SI Ratings (ratings ranging from 1 (very weak) to 10 (very strong) on the extent ESG factors can have a material impact on a firms' business fundamentals) and SI Information on SDG score, smart ESG, footprint, market views (highlighting differences with MSCI, Sustainalytics, etc.)	A new format was introduced for the sustainability profiles produced by the SI research team. The format is a result of collaboration of the SI research board that structures the collaboration on sustainability research between all investment teams. The SI research team has increased coverage of the SI company profiles to over 300 names in 2020.
Strengthen the SDG framework. This framework uses a clear, comprehensive and replicable methodology, following a three-step process, to ascertain companies' impacts on the SDGs (see page 29 for all details)	In 2020, we continued the further development and governance of our SDG Impact Framework. We incorporated extant research and expanded its scope in order to continuously improve our SDG assessment.
Develop a framework of measurable KPIs for all impact strategies	We have developed impact indicators for our Smart Energy, Sustainable Water, Smart Materials, Gender Equality and Healthy Living strategies. In 2021, we plan to further develop metrics for SDG Equity, Circular Economy and Smart Mobility.

Three categories of strategies

We offer our clients a broad range of (sustainable) investment strategies and we continue to develop and innovate. We categorize our strategies into three different types, depending on the sustainability objectives they have:

- **Sustainability Inside**: These incorporate full ESG integration, the use of proprietary research, exclusions, and voting and engagement. The focus lies on making better-informed investment decisions through ESG analysis.
- **Sustainability Focused**: These strategies have more specific sustainability targets for ESG profiles, such as environmental footprints that are better than their benchmarks.
- **Impact Investing**: These strategies aim to make a discernible impact by investing in measurable sustainable themes such as energy or mobility, and/or the UN's SDGs.

Sustainability Inside

The assets in our Sustainability Inside range grew to EUR 138.5 billion in 2020. As Robeco has structurally been integrating material ESG issues into investment strategies since 2010, this has become business as usual for all of our investment teams. However, we strive to raise the bar each year. The quantitative investment team (involving both equity and factor credits) has taken further steps to integrate ESG issues, and specifically climate, by making sure the portfolios' carbon intensity (on scope 1 and 2 carbon emissions) is always below that of the benchmark. This means carbon intensities were reduced over 2020. ESG integration and active ownership are the main pillars of our sustainability approach in all of our investment strategies. See the chapter on active ownership for more details.

The investment teams track the impact of ESG integration efforts on their investment cases, leading to the following insights from varying strategies:

- The emerging markets team completed a performance attribution analysis. They found that ESG integration brought 155 basis points outperformance for Emerging Sustainable Stars. In addition, the exclusion policy of the fund led to an additional 79 basis points of outperformance, predominately due to excluding producers of coal, oil and gas. The tobacco exclusion also contributed positively.
- For our fundamental global equity strategy, the same contribution analysis (which has now been done for four years) again also pointed to a positive impact of ESG integration on outperformance of around 20% on average.
- The Chinese equity team has worked with the SI research team to improve ESG integration. The impact of ESG on the investment cases in the research universe of our China team is substantial. In 2020, a country premium was added in 93% of cases, and the ESG analysis has an impact on one of the value drivers (growth, margins, cost of capital) in 76% of cases.

Sustainability Focused

We continue to see strong demand for strategies with an enhanced focus on sustainability. These assets have grown from EUR 8.2 billion at the end of 2019 to EUR 9.1 billion at the end of 2020.

For instance, the Robeco Sustainable European Stars Equities attracted various new clients, including one of the largest asset management platforms in Germany. The strategy achieved total assets under management of over EUR 1.4 billion. Another strategy that, next to the other strategies in Sustainability Focused, attracted new assets is Robeco Sustainable Global Stars, a large part of which came from Asian clients. Both strategies use corporate sustainability information as determining factors for company selection. The strategies also aim to achieve a superior environmental performance relative to the benchmark, targeting a 20% lower footprint for greenhouse gas emissions, water and energy consumption, as well as for waste production.

Within our core quant capabilities, two new sustainable mandates were launched in 2020. We also see interest from our existing clients in complementing their financial objectives with sustainability ones. A case in point is a client who decided to change the investment strategy applied to its discretionary mandate. It moved from using the Emerging Markets Enhanced Indexing strategy to one similar to that applied in the Emerging Markets Sustainable Enhanced Indexing fund launched in 2019. The new mandate contained a particular focus on reducing its carbon footprint.

Impact Investing

Our thematic and SDG strategies invest in companies that on balance contribute positively to sustainable development. Through this product range, capital is directed to companies that do more good than harm on a number of pre-defined metrics as laid out in our SDG framework. All impact strategies are labeled as RobecoSAM.

Impact investing assets under management further increased in 2020 (from EUR 8.3 billion) to EUR 12.7 billion. Interest in this arena surged following the announcement by the EU Commission that it would actively promote sustainable businesses via the European Green Deal, and in anticipation of a change of government in the US. There was particularly high demand for thematic products addressing climate change through innovative solutions in the clean energy, infrastructure and transportation sectors. RobecoSAM Smart Energy in particular attracted a number of large clients, lifting the strategies' assets under management above EUR 1.5 billion.

The SDG Credits strategies also attracted a lot of interest from our clients. Assets rose to EUR 1.1 billion. Since its inception in June 2018, it has seen a cumulative outperformance of 503 basis points. Using our internal attribution methodology to identify the drivers of this outperformance, we see that 18% of this cumulative figure was a result of the SDG screening, with most of the contribution coming from avoiding names with a negative SDG score.

At the start of 2020, we launched the RobecoSAM Circular Economy Equities strategy. This targets companies that actively contribute to the reduction of waste; those that develop materials that can be reused or recycled; companies managing efficient logistics and waste management systems, and those which promote eco-friendly nutrition and lifestyles. The fund complements the current RobecoSAM impact investing product range, now consisting of 13 strategies covering different social and environmental sustainability trends.

On the fixed income side, the RobecoSAM Global Green Bonds fund was launched in April 2020. It meets market demand for a standalone green bond vehicle that provides clear reporting on the nature of its environmental impact. It is actively managed with a diversified exposure. The fund invests in green bonds issued by governments, government-related agencies, and corporates (mainly in investment grade). To determine whether bonds truly are green, we apply a proprietary five-step green bond screening process regarding: 1) alignment with industry standards, 2) the allocation of proceeds, 3) impact reporting, 4) the issuer's environmental strategy, 5) the issuer's conduct.

In December 2020, we launched a series of climate strategies in fixed income, again investing in both government and corporate bonds. These strategies use an EU Paris Aligned Benchmark and are thus in line with an ambition to limit global warming to 2 degrees Celsius by 2100.

Implementing the Sustainable Finance Disclosure Regulation

Coming into force over the course of 2021, the EU's Sustainable Finance Action Plan represents one of the most impactful pieces of regulation to affect the investment management industry since MiFID II significantly improved up reporting and transparency in 2018. A core tenet of the plan is the Sustainable Finance Disclosure Regulation (SFDR), which will classify investment funds according to their sustainability credentials for the first time. A key part of this regulation, in turn, is a classification system which sets out the disclosures that must be made for any investment product. The three types of fund categorization as described by the EU under its articles are:

- Article 6 funds: Those that do not promote their ESG characteristics.
- Article 8 Funds: "Where a financial product promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices."
- Article 9 Funds: "Where a financial product has sustainable investment as its objective and an index has been designated as a reference benchmark."

We already integrate ESG factors into the investment process for all the funds where it is possible to do so across its fundamental equity, fixed income, quantitative and bespoke sustainability strategies. We also have a strict exclusion policy and a structured Active Ownership approach. This means the majority of strategies will fall under the Article 8 banner.

A project team of more than 30 people has been working on making sure Robeco adheres to the regulations. Investment teams worked with our legal officers, Compliance department and external advisors and regulators to make sure all funds can meet the relevant criteria and disclosures.

CLIMATE CHANGE

We recognize that climate change must be mitigated to avoid unacceptable long-term impact on society and the global economy. We also see that the low-carbon transition will create both investment opportunities and transition risks across all sectors of the economy.

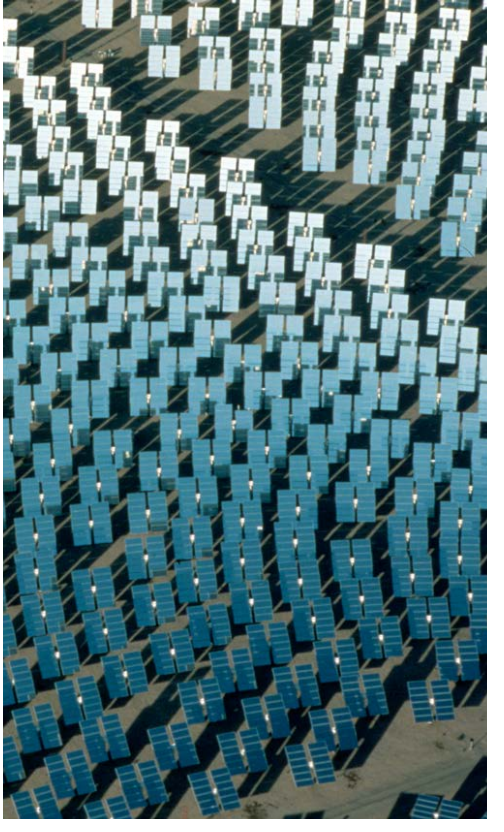
We acknowledge our industry's responsibility for addressing climate change risks and opportunities through our investment decisions as well as through our influence on investee companies and other institutions. Therefore we support the objectives of the Paris Agreement and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Our climate-related governance, strategy, risk management and metrics all aim to align with these guidelines. For all details, please have a look at the appendix starting on page 55.

Highlights in 2020

- In 2020, we renewed our climate policy and created two dedicated roles within the company, a climate strategist and a climate data scientist, to accelerate our work in this area.
- In September, we expanded the scope of our fossil fuel exclusion policy. Companies that derive 25% or more of their revenues from thermal coal (power generation or mining) or oil sands, or 10% from Arctic drilling, are excluded from our funds as per Q4 2020. For sustainable strategies, we have added exclusions for companies that derive 10% or more of their revenues from oil sands, or 5% from Arctic drilling. For sustainable strategies, we already exclude companies that derive 10% or more of their revenues from thermal coal (power generation or mining).
- Also in December, we announced our ambition to achieve net zero emissions by 2050 across all our assets under management. We have done this jointly with others in the Net Zero Asset Managers Initiative. To achieve our ambition, we will set decarbonization targets for all funds over which we have discretion, and will work with clients to support them in their objectives. We will announce our strategy and concrete interim targets before the COP26 Climate Summit in Glasgow in November 2021.

Protecting biodiversity

Biodiversity loss will have a large impact on the ability of companies to produce food at the current scale of production, due for example to soil depletion, decrease in crop diversity, and ecosystem collapse. Robeco collaborates with different stakeholders related to this issue, such as universities, NGOs and the DNB Working Group on Biodiversity, to gain input on how to approach this topic from an investor perspective. In addition, Robeco is one of the 26 financial institutions from around the globe that have signed the Finance for Biodiversity Pledge. In the Pledge the signatories call upon world leaders to reverse nature loss this decade and commit to collaborating, engaging, and assessing their own biodiversity impact, setting targets and reporting on biodiversity matters by 2024 at the latest.



CONTRIBUTING TO THE SDGS

In 2015, all United Nations member states adopted the Sustainable Development Goals (SDGs). The 17 SDGs and their 169 underlying targets aim to promote economic development, advance social inclusion and equality, and ensure environmental sustainability. In short, the SDGs are, according to the UN, "a blueprint to achieve a better and more sustainable future for all."

Investors play a key role in accelerating progress, and we are fully committed to helping achieve the SDGs. The past year has been a vivid reminder that more action is urgently needed. We witnessed the global emergence of Covid-19 and saw its devastating social and economic outcomes. At the same time, impending sustainability risks such as climate change, inequality, and the loss of biodiversity have become even more pronounced. In the financial markets, some companies were hit hard by such sustainability risks. We've also seen many companies that provide solutions to sustainability challenges becoming clear winners. Hence, the SDGs are a lens through which we can assess and mitigate risks, and also identify companies that offer opportunities for generating returns. In this sense, the SDGs clearly link to our mission of helping our clients realize their financial and sustainability goals.

Our SDG Impact Framework

The main way in which we contribute towards the SDGs is through our investment decisions. To understand and manage these impacts, we created a proprietary SDG Impact Framework. This uses a clear, comprehensive, and replicable methodology, following a three-step process, to ascertain companies' impacts on the goals:

STEP 1
Product

What does the company produce?
Analysts look at what the company does to determine whether this contributes positively or negatively to the relevant SDGs, using specific key performance indicators and thresholds.

STEP 2
Procedure

How does the company produce?
Here, analysts examine how these goods and services are produced, and whether these companies advance SDGs in their operations, or whether there are any flipsides to apparently good intentions, such as poor governance.

STEP 3
Controversies

Has the company erred?
Checks are made to see whether the company has been involved in any controversies, such as pollution incidents or the mis-selling of services.

Scores are then compiled to assess a company's overall impact. These range from +3 (highly positive) to -3 (highly negative). Once the overall score is known, we can include the best companies in our investment process.

In 2020, we continued the further development and governance of our SDG Impact Framework. We incorporated extant research and expanded its scope in order to continuously improve our SDG assessment. By continuing to strengthen our framework, we ensure our approach to investing in the SDGs is rigorous and a frontrunner in the market.

SDGs in investment strategies

Using our SDG Impact Framework, we analyzed around 1,000 companies. Each one was given an SDG score. Using these scores, we created different SDG investment strategies that cross asset classes:

- Euro SDG Credits
- Global SDG Credits
- SDG Credit Income
- SDG High Yield Bonds
- Global SDG Equities

Whereas the SDG Credits strategies invest in bonds issued by corporates receiving a minimum or neutral score (0) following our SDG assessment, SDG Equities invests in companies that are clear leaders, scoring at least 'positive medium' (+2).

Our SDG strategies are not the only ones driving progress. Our thematic strategies also help to advance an array of SDGs:

- Global Gender Equality Impact Equities, which is particularly geared towards SDG 5 – Gender equality
- Circular Economy Equities, especially contributing to SDG 12 – Responsible consumption and production
- Smart Energy, investing in solutions for SDG 7 – Affordable and Clean Energy
- Smart Materials, offering opportunities for advancing SDG 9 – Industrialization, Innovation, and Infrastructure
- Smart Mobility, contributing to SDG 11 – Sustainable cities and communities
- Healthy Living, which especially promotes SDG 3 – Good health and well-being
- Sustainable Water, seizing opportunities for SDG 6 – Clean water and sanitation

SDGs in reporting

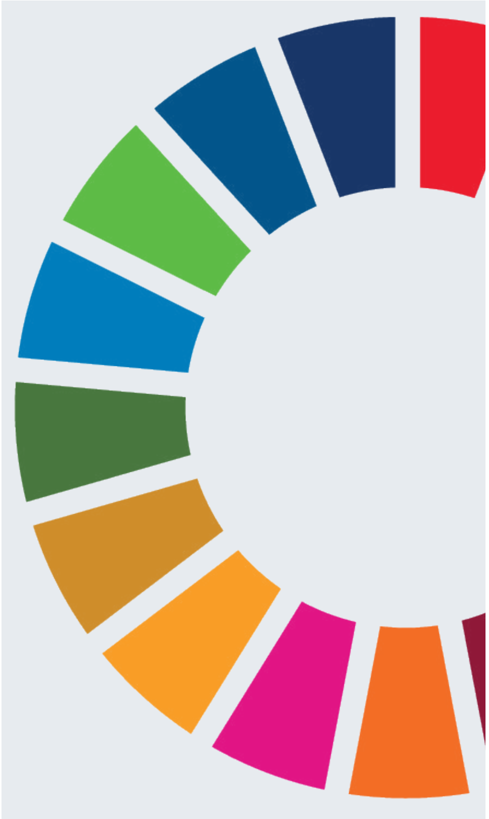
Reporting is essential to SDG investing. Although few companies provide data on their positive and negative impact on the goals, we are conducting research that quantifies how some of our thematic funds impact the SDGs.

SDGs in active ownership

The SDGs are included in the Active Ownership team's full engagement cycle, creating an opportunity to emphasize the impact that engagement can have on society. In 2020, we further streamlined our engagement activities with our SDG Impact Framework. Robeco's active ownership work is discussed more fully in the next section.

Outlook for 2021

The UN marked the 2020-2030 period as a 'Decade of Action' for the SDGs. We are committed to further action, as we continue to further integrate the goals into our investment processes. In 2021, we expect our clients to increasingly demand investment solutions that drive progress towards the SDGs. At the same time, we expect regulators to continue to draft and implement legislation that governs the sustainable development space. Against this background, we intend to actively grow our existing SDG strategies while also pioneering new, innovative, solutions to this end. We are also exploring new ways of monitoring and reporting on impacts.



ACTIVE OWNERSHIP

We use active ownership to improve companies' behavior because we are convinced that adopting ESG principles enhances the financial performance of investee companies while benefiting society. In addition, as a responsible investor, we act in accordance with stewardship codes.

A central aspect of our mission is to fulfill our fiduciary duty to clients and beneficiaries. Our stewardship approach is closely aligned with our investment beliefs, which is to use research-based, quality-driven processes to produce the best possible long-term results for our clients. Therefore, our stewardship activities are aimed at long-term value creation in our portfolio companies. As a sustainable investor, we are actively involved in helping our clients formulate and execute their stewardship responsibilities, complying with all codes, principles and regulations.

Our in-house team executes the key components of active ownership – voting and engagement – on behalf of Robeco. The team exercises voting rights worldwide on stocks in our investment funds and maintains an active dialogue on many ESG issues with investee companies. Our Head of Active Ownership reports to our CIO Fixed Income and Sustainability. Team performance is assessed on key performance indicators in relation to the quality of active ownership, measured internally and externally via the annual PRI assessment.

The SI landscape is always evolving, and certain trends will continue to influence the active ownership agenda in the coming years. For example, Covid-19 has shed light on the importance of good human capital management and social issues. At the same time, existing trends such as worsening climate change, loss of biodiversity, and the need to improve diversity and inclusion remain high on the agenda. At Robeco, we play an active role in influencing corporate behavior regarding these topics. Further collaboration with other investors and stakeholders that can influence companies is crucial. We will therefore continue to improve and innovate our active ownership practices. How Robeco votes and engages is described in detail in publicly available policies and reports.

Voting

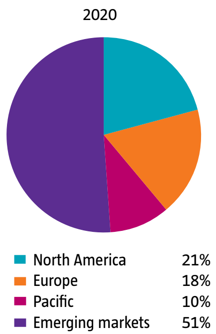
In 2020, our assets under voting continued to grow to EUR 114.9 billion and the team's analysts voted at 7,802 shareholder meetings. Our voting activity is published on our website shortly after the shareholder meeting takes place, which is in line with best practice on voting disclosure. We refrain from voting only in specific cases of share blocking – the contentious practice where the shares owned by proxy votes are barred from trading in the period of the annual meeting. In such cases, the Active Ownership team assesses the priority of the meeting and the voting impact of the positions.

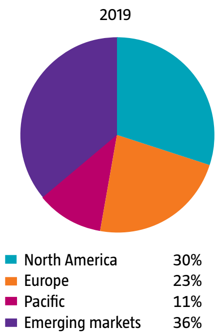
Our investment teams make high-profile voting decisions in close collaboration with our engagement specialists. They also include information captured at shareholder meetings, in engagement

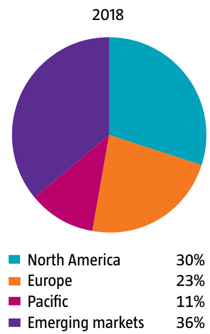
Voting figures

	2020	2019	2018
Assets under voting	EUR 114.9 billion	EUR 91.5 billion	EUR 69.9 billion
Number of votes at shareholders' meetings	7,802	5,926	5,291

Voting distribution by region







activities, and in the investment process. We assess on a case-by-case basis if the filing or co-filing of shareholder resolutions as part of voting and engagement activities is desirable and likely to have an impact. In 2020, the Active Ownership team updated its voting policy to ensure that the provisions remain up to date, relevant and aligned with best practice. Key changes include more strictly assessing diversity and remuneration at the board level, and taking a sterner view of companies in high carbon-emitting sectors that have so far failed to recognize climate change as a business risk or opportunity.

Engagement for equity and credits portfolios

We apply a focused approach for engagement activities, including a relevant selection of investee companies for a constructive dialogue on ESG factors such as board quality, human rights and environmental risk management. For many years, we have run two programs: value engagement and enhanced engagement. In addition to our engagement for equity and credit portfolios, in 2020 we took the first steps towards engaging for our government bond portfolio in a collaborative approach with other investors. For example, in our efforts to protect biodiversity, we met with the vice-president of Brazil to discuss deforestation, as forests have a crucial role to play in tackling climate change. Together with other investors, we also approached the Indonesian government to express our concern over the proposed deregulation of environmental protections in the country's Omnibus Bill on Job Creation.

Value engagement: engaging on financially material ESG topics

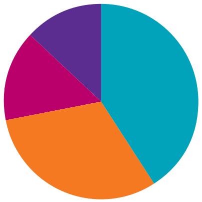
Our value engagement activities focus on a limited number of sustainability themes that have the greatest potential to create value for investee companies. New engagement themes are selected in close collaboration with engagement specialists, portfolio managers, analysts and clients. We prioritize investee companies that have most exposure to the selected engagement theme. For value engagement themes, the Active Ownership team typically performs a baseline study, establishes SMART (specific, measurable, attainable, relevant, time-bound) objectives, and starts a dialogue to encourage companies to address the identified issues. The team informs these companies of the corporate behavior that investors expect, thereby encouraging them to adopt better practices. We believe that companies with sustainable business practices can gain a competitive advantage and are likely to improve their risk/return profile, meaning that it is both in their interest – and ours – for them to change their ways.

Distribution of engagement cases by region

2020

North America	38%
Europe	29%
Pacific	16%
Emerging markets	17%

2019



North America	41%
Europe	31%
Pacific	15%
Emerging markets	13%

2018

North America	38%
Europe	33%
Pacific	14%
Emerging markets	15%

Number of engagement activities per region

	2020
North America	94
Europe	71
Pacific	40
Emerging markets	41

The Active Ownership team started five new financially material engagement themes in 2020:

1. Lifecycle management of mining: Focusing on tailing dam risks and water management practices.
2. Biodiversity: Asking companies that produce soy, cocoa or palm oil, and companies that produce food, to conduct a biodiversity impact assessment of their operations and/or their supply chains, and develop plans to achieve zero net deforestation by 2023.
3. Net zero carbon: Encouraging high carbon-emitting companies to set carbon reduction targets and to achieve alignment with goals of the Paris Agreement.
4. Corporate governance in emerging markets: Focusing on improving governance in companies in Brazil, South Korea and China, as well as policy engagement in collaboration with local investor initiatives.
5. Remuneration: Following new momentum in the EU and US, this aims to improve remuneration practices, align pay with stakeholders' interests, and include ESG and other non-financial targets.

Enhanced engagement: addressing breaches of global norms
Our enhanced engagement program focuses on companies that severely and structurally breach global norms regarding human rights, labor, the environment and corruption. Such companies are selected based on systematic analysis. The principal codes of conduct underpinning the enhanced engagement process are the United Nations Global Compact (UNGC) and the OECD Guidelines for Multinational Enterprises. We use five objectives that focus on eliminating the breach, adopting a policy, creating a stakeholder dialogue, introducing risk management systems and then ensuring transparency over the process. The engagement typically runs over a three-year period, during which time we have regular meetings with investee companies to monitor their progress. If a company does not improve, the Sustainability and Impact Strategy Committee (SISC) can decide to exclude it from our investment universe. The process for enhanced engagement is a formal part of our exclusion policy.

We consider exclusion to be the last resort, only to be used after enhanced engagement to encourage a company to improve has failed. We re-evaluate the practices of excluded companies at least once a year, and we reinstate them if and only if they have show significant improvement. Our exclusion policies are published on our website.

Exclusions

We have an exclusion policy for companies involved in the production of or trade in controversial weapons such as cluster munitions and anti-personnel mines, along with tobacco companies. For Sustainability Focused and Impact Investing strategies, additional exclusions are made to meet the stricter ESG criteria of these funds.

In 2020, we extended our exclusions on fossil fuels. We now exclude investments in thermal coal – subject to certain revenue thresholds – as it is by far the highest carbon-emitting source of energy in the global fuel mix. Next to that, we exclude companies involved in oil sands, as this is among the most carbon-intensive means of crude oil production. Finally, we exclude companies engaged in Arctic drilling, as this poses higher risks of spills compared to conventional oil and gas exploration. It also has potentially irreversible impacts on the sensitive Arctic ecosystem.

Revenue thresholds apply to these exclusions. Companies that derive 25% or more of their revenue from thermal coal or oil sands, or 10% or more from Arctic drilling, are barred from Sustainability Inside investment portfolios. This step expands the thermal coal exclusion policy that previously only applied to our Sustainability Focused and Impact Investing strategies. The exclusions apply to all of our mutual funds, excluding client-specific funds and mandates, but including sub-advised funds.

Achievements in 2020

Here is a selection of achievements which resulted from our Active Ownership team's activities:

- The companies under engagement in our 'Climate Action' theme have shown progress in their climate governance. Most of them (8 out of 13) have shown clear board responsibility for climate change risks and opportunities and have been able to demonstrate a sound climate change management system. Areas in which the lagging companies could improve the most are linking their executive compensation to climate change goals, or allocating climate change oversight responsibility to the board.
- Most of the companies in our 'Net Zero Carbon Emissions' theme (9 out of 13) have made positive progress in the alignment of their business strategies with the goals of the Paris Agreement. According to research by the Transition Pathway Initiative, three companies are aligned with emissions reductions pledged by governments as part of the Paris Agreement via Nationally Determined Contributions.
- In reducing the single use of plastics, we found that most companies were able to show good progress on three engagement objectives – innovation, responsible lobbying, and industry collaboration and partnerships – but were lacking progress regarding recycling and plastic harmonization. An example of strong innovation is a company that is helping its customers to recycle. Another company has developed an innovative technology that enables black plastic to be recognized

by recycling machines for sorting.

- In the three years of our engagement, German carmaker BMW demonstrated both low annual safety recalls and defects and incorporated cross-functional targets and the integration of product quality metrics into staff incentives. The company has committed to compliance with the 2020 EU fleet emissions standards, but can make further progress through net zero emissions commitments.
- In November, Alphabet announced an update of its Audit Committee Charter, which now includes the review of major risk exposures around sustainability and civil and human rights. This update followed a shareholder proposal co-lead filed by Robeco that got significant support from shareholders, and is in line with our request to formalize board oversight on human rights.

More information can be found here >.

HOW WE SUPPORT SI INITIATIVES

We participate in a wide range of strategic initiatives that aim to make companies, financial markets and ultimately society more sustainable. Our contribution enables us to help shape the global investment agenda and inform policymakers. In some instances, government agencies or other public institutions play a defining role in our engagement topics. This is also why we take part in public consultations and provide feedback to regulators and other public institutions if a certain policy is likely to benefit sustainable investors and broader society.

Highlights of collaborative initiatives in 2020

- As a response to the Covid-19 outbreak, we actively participated in investor initiatives by the Interfaith Center on Corporate Responsibility (ICCR, Platform for Living Wage Financials (PLWF), and supported the Investor Statement that called upon the pharmaceutical sector to improve its ethics regarding opioids.
- Together with 630 investors representing USD 37 trillion in assets under management, we called on the governments of the G20 nations to increase efforts to achieve the goals of the Paris Agreement.
- Robeco joined the Investment Leaders Group (ILG), a voluntary member initiative striving to create an investment chain that prioritises economic, social and environmental sustainability, convened by the Cambridge Institute for Sustainable Leadership (CISL).
- The Investor Mining and Tailings Safety Initiative, an initiative set up by the Church of England Pensions Board with support from The Council on Ethics Sweden, was awarded the Stewardship Project of the Year by the Principles for Responsible Investment. Robeco is part of the Steering Committee of this important project.
- Again in 2020, a collaboration under ClimateAction 100+ has proven fruitful and led to engagement successes led by Robeco, including with Royal Dutch Shell and Enel.

External recognition and awards

- We were again awarded the highest possible sustainability scores (A+) by the PRI.
- We were included in the 2020 PRI Leaders Group.
- We were ranked number one in an assessment of NGO ShareAction, in which 75 of the most influential asset managers were examined on responsible investment governance, climate change, biodiversity, and human rights.
- ICGN awarded Robeco with the ICGN Global Stewardship Disclosure Award.
- We were named ESG Manager of the Year at the Investment Excellence Awards.
- We were named ESG/SRI Manager of the Year and the Pension and Investment Provider Awards 2020.
- Carola van Lamoen, our Head of SI, was appointed General Member of the Board at corporate governance organization Eumedion.

HOW WE SHARE OUR KNOWLEDGE ON SUSTAINABLE INVESTING

Sustainable investing is constantly developing, but often is not part of standard education and training. It's therefore extremely important to share knowledge, both internally and with our clients and other stakeholders, in order to further sustainable investing. This occurred on many levels in 2020.

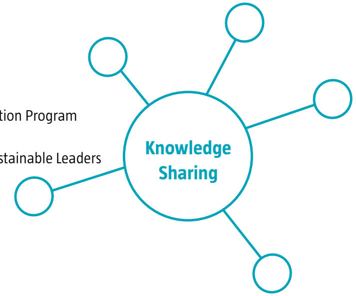
– We published many articles on SI and active ownership.

During the Covid-19 crisis and subsequent market volatility, we had many contact moments with our clients. We dedicated a separate section to Covid-19 and sustainable investing on our website. In addition, we published the SIX. magazine (Sustainable Investing eXpertise), in which we elaborated on future SI trends and devoted a whole section to impact investing and impact measurement.

- To further the cause of SI within academia, we became a member of the Investment Leaders Group of the Cambridge Institute for Sustainability Leadership (CISL). This is on top of our existing support for the Erasmus Platform for Sustainable Value Creation. By cooperating with both initiatives, we aim to further support academic research and development in the area of sustainable investing and the SDGs.
- As part of our ongoing efforts to keep clients and prospects up to speed about developments in SI, we organized two SI Digital Explore events which were joined by participants from 35 countries. The content of these sessions is always a mix of external or academic speakers, our experts and the clients themselves.
- Internally, we continued to host knowledge-sharing sessions on a wide range of subjects, including a session completely dedicated to our work on climate change. Other topics discussed were digital innovation in health care, the implications of the EU Sustainable Finance Framework, green bonds, linking economic activities to the SDGs, and how we integrate ESG data.
- We launched an SI Academy on our learning platform. This contains both internal and external courses on sustainability and sustainable investing, encouraging Robeco employees to improve their knowledge on this topic
- We extended our range of Robeco Essentials online learning modules to cover the Sustainable Development Goals, which will be fully launched in early 2021.
- We started the SI Opener series, in which our sustainability experts discussed a range of sustainability subjects in a series of monthly columns. Intended to raise eyebrows as well as open eyes, as its title suggests, these included the contentious issues of digital human rights, why mining is actually essential for a greener economy, and why the loss of biodiversity is a greater threat than climate change.

Robeco Internal
- Training Supervisory Board and Executive Committee
- Quarterly knowledge sharing sessions for all teams
- Introduction program
- SI Academy

Academia and NGO
- Sustainable Value Creation Program
- Knowledge exchanges
- Cambridge Institute Sustainable Leaders program



Clients
- Knowledge sharing sessions
- One-on-one training sessions
- Annual Stewardship Webinar
- Deliver Stewardship content to >40 externally organized events
- Informing clients and broader public of our SI efforts through webinars and thought pieces
- Reports and infographics

Wider public
- Web program SI essentials
- Regular SI publications for all levels (basic, intermediate, professional)
- Podcasts

INVESTMENT PERFORMANCE OVERVIEW

Of all portfolios managed or sub-advised by Robeco, 53%[1] (2019: 62%) outperformed compared to the relevant benchmark over a three-year period; 42% (2019: 56%) over a one-year period. For detailed information, please refer to the annual reports of the respective investment funds.

In 2020, equity markets in most developed and emerging economies posted positive returns, with 34% of Robeco's equity portfolios outperforming their benchmark. The percentage of outperforming equity portfolios over the past three years was 42% (52% in 2019).

Fixed income had a positive year in both absolute and relative terms: 79% outperformed the benchmark over a three-year period (2019: 88%). Over a one-year period, this figure was 59%.

In the table below, the returns and relative performance of the most relevant funds are shown as examples of the figures mentioned above. The outperformance (+) or underperformance (–) compared to the relevant index is indicated, and the Sharpe[2] ratio is shown for conservative equity funds investing in low volatility stocks with lower expected downside risk.

Investment performance overview

	Fund	Performance	Outperformance/underperfermance
Equities	Robeco Asia-Pacific Equities (EUR)	0.9%	- 8.9%
	Robeco BP Global Premium Equities (EUR)	- 3.5%	- 9.8%
	Robeco BP US Large Cap (USD)	1.6%	- 1.2%
	Robeco BP US Premium Equities (USD)	5.2%	+ 2.3%
	Robeco BP US Select Opportunities (USD)	6.2%	+ 1.2%
	Robeco Chinese Equities (EUR)	51.3%	+ 31.3%
	Robeco Emerging Markets Equities (EUR)	7.9%	- 0.7%
	Robeco Emerging Stars Equities (EUR)	1.8%	- 6.7%
	Robeco Fin Tech Equities (EUR)	17.8%	+ 11.2%
	Robeco Global Consumer Trends Equities (EUR)	38.5%	+ 31.8%
	Robeco New World Financial Equities (EUR)	4.1%	+ 15.8%
	Robeco QI Emerging Conservative Equities (EUR)	- 11.3%	- 19.8% (Sharpe ratio -0.5 vs 0.4)
	Robeco QI Emerging Markets Active Equities (EUR)	5.4%	- 3.1%
	Robeco QI European Conservative Equities (EUR)	- 5.8%	- 2.5% (Sharpe ratio -0.3 vs -0.1)
	Robeco QI Global Multi-Factor Equities (EUR)	- 2.4%	- 9.0%
	Robeco QI Inst. Emerging Markets Enhanced Fund (EUR)	6.9%	- 1.6%
	Robeco QI Inst. Global Dev. Conservative Equities (EUR)	- 8.0%	- 14.3% (Sharpe ratio -0.4 vs 0.3)
	Robeco Sustainable European Stars Equities (EUR)	- 5.8%	- 2.5%
	Robeco Sustainable Global Stars Equities Fund (EUR)	18.1%	+ 11.8%
	RobecoSAM Smart Energy Equities	48.5%	+ 42.2%
	RobecoSAM Smart Materials Equities	21.2%	+ 14.8%
	RobecoSAM Sustainable Water Equities	13.9%	+ 7.6%
	Rolinco (EUR)	21.9%	+ 15.2%

1. All returns are gross of fees.

2. The Sharpe ratio is a measure of the risk-adjusted return. The Sharpe ratio of the portfolio and the benchmark is shown for conservative equity funds investing in low volatility stocks with lower expected downside risk. It is calculated by taking the annualized return minus the annualized return of the risk-free rate divided by the annualized volatility of the portfolio or index.

Investment performance overview

	Fund	Performance	Outperformance/underperfermance
Fixed income	Robeco All Strategy Euro Bonds (EUR)	7.8%	+ 3.8%
	Robeco Euro Credit Bonds (EUR)	4.2%	+ 1.4%
	Robeco Euro Government Bonds (EUR)	6.2%	+ 1.2%
	Robeco European High Yield Bonds (EUR)	2.5%	+ 0.1%
	Robeco Financial Institutions Bonds (EUR)	3.2%	+ 0.7%
	Robeco Global Credits (EUR)	9.9%	+ 3.2%
	Robeco Global Total Return Bond Fund (EUR)	7.7%	+ 3.5%
	Robeco High Yield Bonds (EUR)	3.8%	- 0.8%
	Robeco QI Global Dynamic Duration (EUR)	1.5%	- 3.4%
	Robeco QI Global Multi-Factor Credits (EUR)	6.8%	+ 0.1%
	RobecoSAM SDG Credit Income (EUR)	6.5%	no official index
	RobecoSAM Euro SDG Credits (EUR)	3.8%	+ 1.1%
	RobecoSAM Global SDG Credits (EUR)	9.3%	+ 2.6%
Multi-asset	Robeco ONE Neutral (EUR)	5.6%	no official index

OUR GOVERNANCE

In this section, we elaborate on our ownership and legal status, how we apply business ethics, and how we comply with regulations regarding tax and risk management.

OUR OWNERSHIP AND LEGAL STATUS

Robeco is established in the Netherlands and is wholly owned by ORIX Corporation Europe, a subsidiary of ORIX Corporation, a Japanese business conglomerate that started operating in 1964.

Governance structure

Robeco has an Executive Committee (ExCo) and a Supervisory Board (SB). Our ExCo develops and executes our corporate strategy, and manages the business on a day-to-day basis. Our SB monitors the execution of the company policy and advises the ExCo. The SB includes a representative from ORIX Corporation. In the Netherlands, all Robeco board and committee members have sworn the Dutch oath for the financial sector.

ExCo

Our ExCo members represent the different domains in Robeco:

- Gilbert Van Hassel * (Chairman and CEO)
- Karin van Baardwijk * (Deputy CEO and Chief Operations Officer)
- Lia Belilos-Wessels (Chief Human Resources Officer)
- Peter Ferket * (until 22 May 2020)
- Mark den Hollander * (Chief Financial and Risk Officer)
- Mark van der Kroft (Chief Investment Officer Fundamental and Quant Equity)
- Martin Nijkamp (Head of Strategic Product and Business Development)
- Christoph von Reiche (Head of Global Distribution and Marketing)
- Victor Verberk (Chief Investment Officer Fixed Income and Sustainability)

* also a statutory managing director

Statutory managing directors are appointed by the General Meeting of Shareholders and approved by ORIX Corporation Europe. The Supervisory Board must be consulted in connection with an intended appointment, which is subject to prior approval by the Dutch Authority for the Financial Markets (the Autoriteit Financiële Markten or AFM). Appointing ExCo members also requires prior approval from the AFM because such a person is considered to be a ‘daily policymaker’ of Robeco. Their intended appointment must also be submitted to the Works Council for advice. To date, the Works Council’s advice in this respect has been positive in favor of the proposed new member.

Supervisory Board

Our Supervisory Board consists of:

- Maarten Slendebroek (Chairman, since 13 August 2020)
- Sonja Barendregt-Roojers (Vice Chair, since 1 April 2018)
- Stan Koyanagi (since 13 August 2020)
- Mark Talbot (since 18 September 2019)
- Radboud Vlaar (since 18 September 2018)
- Jeroen Kremers (until 30 March 2020)

The Audit and Risk Committee and the Nomination and Remuneration Committee (both are committees within the Supervisory Board) prepare decisions to be taken by the Supervisory Board, take decisions, and carry out delegated responsibilities. In the appointment process for new Supervisory Board members, an individual is nominated and consequently appointed by the general meeting after approval by the AFM. In addition, appointments of Supervisory Board members require the approval of ORIX Corporation Europe as well (as indirect shareholder). With respect to the evaluation of the Supervisory Board’s functioning, an external party regularly carries out self-assessments and assessments.

Sustainability and Impact Strategy Committee

The purpose of our Sustainability and Impact Strategy Committee (SISC) is to oversee, coordinate and drive sustainability matters from a company-wide perspective. It is also responsible for a proper implementation of sustainability matters, and aims to make sure we remain a thought leader in SI and have the potential to become market leader by bringing together key actors in an efficient and effective way in order to to:

- Drive the vision on our key strengths in sustainability and sustainable investing
- Set the SI strategy and targets
- Establish and enhance a Sustainable Investing policy framework with the aim to be leading in the industr
- Create a platform to innovate on SI
- Mobilize our sales and marketing power
- Set priorities and trigger action at the appropriate level
- Provide guidance and sets direction to ensure Robeco ‘walks the walk’ in its own organization

The SISC meets at least biweekly and works side by side with our Sustainability Committee.

Sustainability Committee

Our Sustainability Committee consists of an ExCo member and representatives from all disciplines who contribute to the execution of our sustainability strategy. It decides on sustainability-related policies and supports the implementation and further integration of sustainability in the organization. A sustainability ambassador network enables the involvement of the broader organization.

BUSINESS ETHICS

We have a code of conduct in place, ensuring that our employees act with integrity and apply the standards expected of them. Every employee is required to affirm yearly that they have read and understood the code of conduct, and that they act according to its requirements.

Policies and processes are implemented for business ethics-related topics such as the prevention of money laundering, the prevention of financing of terrorism, and general conflicts of interest. We aim to ensure that all clients are treated in a fair and transparent way. In addition, we have policies in place which aim to ensure that personal data is handled with care, in accordance with the applicable laws and regulations.

Our Compliance team is responsible for managing and maintaining the Compliance policy framework. This framework is reviewed at least every three years and, where necessary, updated. The Compliance team also monitors the correct implementation of the policies and processes and provides training on recent changes and developments in their societal, regulatory and supervisory focus. The implementation of these policies and processes is delegated to line management who are responsible for translating them into workable and effective operating instructions.

Our current Customer Due Diligence framework has been extensively reviewed in line with continuing developments related to 'know your customer' and anti-money laundering/counter terrorism financing efforts. As a result of this, policies, procedures and controls in this area have been modernized, supported by supplemental training to employees and management. Further, the gifts, entertainment, inducements and anti-bribery policy has been extended , to be better able to demonstrate compliance with the rules.

Our employees' personal investment transaction policy has been redrafted to include several explicit restrictions. The amended policy will go live, accompanied by an additional awareness program, in 2021. Lastly, we have reinforced oversight over Robeco's distribution chain, to ensure that distributors of our funds do not materially impair our ethical conduct.

Compliance record regarding business ethics

	2020	2019	2018
Instances of suspicions of bribery (gifts received)	None reported	None reported	None reported
Reported (indications of) breaches of compliance	None reported	None reported	None reported
Reported invitations for entertainment given and received worth over EUR 100	121	148	158

HOW WE MANAGE RISK

We distinguish four categories of risk, that we regard as most relevant in terms of their potential impact on our ability to execute our strategy, perform our business activities, and maintain our good financial condition:

1. Strategic risks: external developments such as macroeconomic issues, increasing fee pressure, or competition may negatively affect our profitability. Continuous monitoring of these developments and maintaining a diversified base of clients, assets, and products mitigates the potential impact.
2. Operational risks: we manage a large range of services and products for different client types in various regions of the world. This means that we are exposed to operational risks, such as processing failures, cyber risk events, or the risk that laws or regulations are not abided. Our extensive control framework identifies the significant risks throughout our whole value chain, including risk-mitigating controls. In addition, our incident procedure continuously improves the quality and robustness of operational processes, and informs clients of errors and their consequences accurately.
3. Financial risks: we are exposed to counterparty credit risk on our cash balances and receivables. To mitigate this, our policies prescribe careful selection and monitoring of financial counterparties. Risks are managed by offering a broad and diversified range of products and services in various regions, currencies and asset classes. Capital is held to cover this kind of business risk. To mitigate liquidity risk, cash positions are closely monitored. We apply various indicators to assess financial performance, which entails the use of models for individual risk types.
4. Sustainability risks: the financial position of investments in the portfolios we manage may deteriorate due to ESG-related risks. Failing to mitigate against the consequences of climate change could potentially have an impact on the underlying assets of our portfolios. We performed a climate risk self-assessment based on scenario analysis as a first step towards a quantitative assessment of the potential impact of such climate transition scenarios. To mitigate the risk this analysis has identified, we have a climate change strategy in place (see page 28 for further details).

Our risk management governance is built on the 'three lines of defense' model:

1. The primary responsibility rests with line management in their day-to-day decision-making processes.
2. The second-line functions are fulfilled by the Compliance and Risk Management team, which develops and maintains policies to enable line management to effectively handle their responsibilities. The second line of defense monitors the business activities in the company's risk management practices, and reports regularly to various internal committees and to external stakeholders.
3. The Internal Audit function acts as the third line of defense, and provides independent assurance on internal control by means of various audits and reviews.

Both the second-line and third-line activities operate independently, with no link to commercial functions. The second-line functions have a direct reporting line to the Chief Finance and Risk Officer, while the Internal Audit function has a direct line to the CEO. In addition, both the second and third lines report to the chairman of the Audit and Risk Committee of the Supervisory Board.

We have several risk management committees in place to ensure comprehensive and consistent risk oversight:

– Audit and Risk Committee: supervises the financial reporting process, the control environment, the system of internal controls, risk management and internal audit.
– Enterprise Risk Management Committee: This is the highest body within Robeco to focus on risk. It consists of the members of the ExCo and representatives of relevant departments.
– Risk Management Committee: Responsible for determining risk policy, and for monitoring risk levels in client portfolios. It is chaired by a member of our ExCo and consists of representatives of relevant departments.

Our Risk Control Framework is based on the principles of the Committee of Sponsoring Organizations' Enterprise Risk Management.

In 2021, we plan to finalize the ambitions as defined for 2020-2021:

– Further development of our enterprise control framework and related processes.
– Further evolution of the risk appetite process: we aim to improve this by using more quantitative elements, developing key risk indicators and improving reporting. Eventually, we aim to make the explicit presence of risk appetite an integral part of the decision-making process at strategic, tactical and operational levels.
– Further strengthening of the sustainability risk management framework.

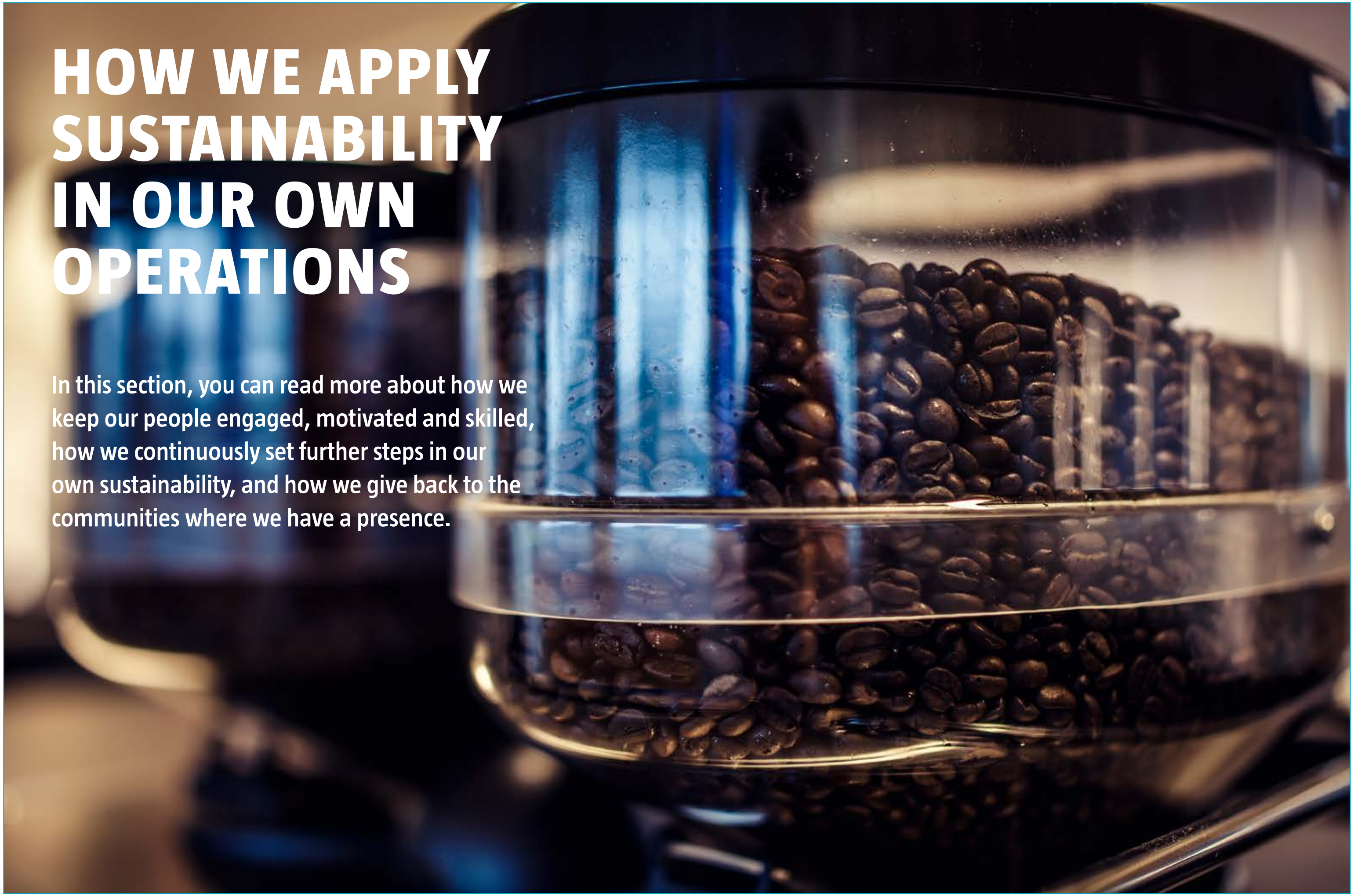
HOW WE MEET OUR TAX OBLIGATIONS

We strive to act at all times in accordance with our Tax Policy and mission statement, and to fully comply with all applicable laws and regulations, filing and reporting obligations. Adhering carefully to the Policy, we manage tax risks actively to safeguard our reputation. The underlying policy intent of the respective laws is always taken into account. We report income in the jurisdiction where the value is created. We do not tolerate tax evasion and do not engage in any aggressive tax planning; we apply the principle that business is leading and the tax liability follows.

Robeco's ExCo carries the ultimate responsibility for compliance with the Tax Policy and mission statement, but has delegated execution to Group Fiscal Affairs. In the Netherlands, we have a strong and transparent relationship with the tax authorities and have entered into a Tax Covenant under which we are transparent about our tax position and tax risks (if any) towards them. If deemed appropriate, agreement about any issue requiring clarification is sought from the local or national tax authorities upfront.

Our principle is that investment proceeds should be taxed at the investor level, to the extent that investors are subject to taxation. We strive to prevent unnecessary tax liabilities in our products. Most of our investment funds benefit from tax regimes to prevent any additional tax burden. We make very limited use of tax incentives offered by any jurisdiction.

The Organization for Economic Co-operation and Development (OECD), European Union and local governments have issued guidelines and legislation which create more tax reporting obligations and transparency rules. These aim to counter tax evasion, aggressive tax planning and tax fraud. Robeco's tax team has implemented processes to make sure that it is compliant with these regulations.



HOW WE APPLY SUSTAINABILITY IN OUR OWN OPERATIONS

In this section, you can read more about how we keep our people engaged, motivated and skilled, how we continuously set further steps in our own sustainability, and how we give back to the communities where we have a presence.

OUR PEOPLE

Our success depends almost entirely on the performance of our people: their knowledge, skills, experience, commitment and engagement are our most valuable assets. That is why we empower them to reach their full potential in an inspiring, engaging and respectful work environment, in which teamwork is fundamental to outperform.

Covid-19's impact on our people

Of course, our people were impacted by the Covid-19 pandemic and the related measures. We made health and safety our first priority from the start: In the Netherlands, as of March most employees worked remotely from home, while a small team worked in our headoffice in Rotterdam, and another small team from our crisis center near Amsterdam Schiphol Airport. The challenge was to adapt to working from home as the norm rather than the exception. To do so, we introduced more flexible working conditions for employees who had to manage their families next to working commitments.

In addition, we organized speak-up sessions to gather feedback on what we learned from the new ways of working that came in with the Covid-19 restrictions. The outcome of these sessions, which were joined by 178 employees in total, are the starting point for a new way of working that:

- maintains the positive aspects of working from home and employee autonomy, while at the same time ensures an optimal connection between our people in terms of cooperation and communication.
- is based on what drives our people, and how they want to contribute to our future and our strategy.
- reduces our carbon footprint by reducing business travel and commuting.

Performance Management Cycle

Our Performance Management Cycle, supported by our Learning and Development program, offers all our people the opportunity to continuously develop their qualities and skills further. The year-end appraisal meeting is, in our view, not only a moment to assess performance, but also an opportunity to enhance motivation, commitment and growth potential by truly recognizing an individual's strengths and development areas.

Renumeration

We reward our people in a way that encourages them to act in the best interests of our clients and avoid taking unnecessary risks. Our remuneration policy does not discriminate on the basis of gender. Differences in terms of salary range are based on professional experience and education. The women-to-men remuneration ratio calculation only reflects Robeco in the Netherlands, due to insufficient comparable data from offices abroad. Averages have been calculated for the applicable salary ranges in each category. These do not take into account such factors as work experience and relevant education. 'Broadbanding' is used for the senior/middle management category, where jobs of different levels are placed in the same 'band'.

As part of our reward vision, a well thought out, balanced and sustainable remuneration policy is vital in order to attract, retain and motivate well-qualified people. This policy enables us to differentiate our people according to performance and to reward excellence; it also stimulates them to exhibit desired behavior and discourage undesirable conduct.

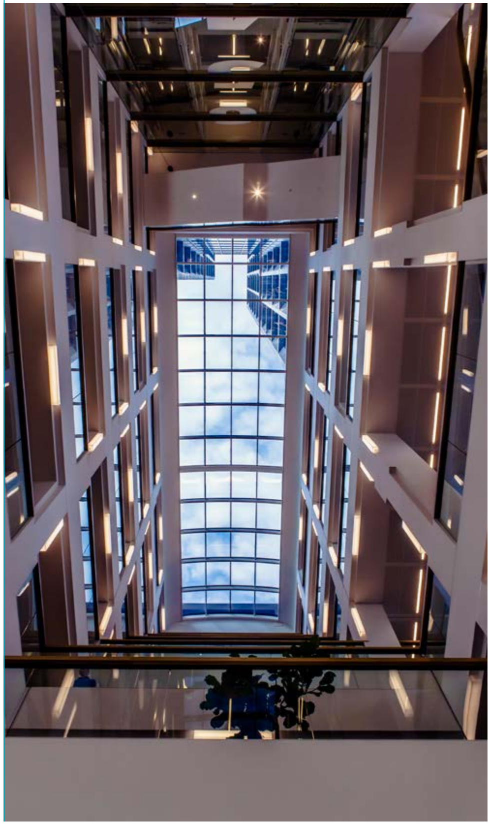
Collective bargaining agreements are only applicable to employees in France, Spain and Italy. The policy, amendments to it and actual compliance of remuneration practice are audited internally each year. Remuneration levels for all employees are benchmarked annually against the standards of market data provider AON McLagan. Any changes made by the regulators to applicable legislation or guidelines that lead to the amendment of a remuneration policy, approach or practice are reviewed by

Remuneration figures

	FTE	Head count	Fixed remuneration in EUR million	Variable remuneration in EUR million	Total in EUR million
Current and former statutory directors	4	4	2.2	3.8	6.0

Women-to-men remuneration ratio

	Fixed remuneration ratio	Total remuneration ratio
Senior management level incl ExCo	0.89	0.94
Middle management level	0.98	0.95
Non-management level	0.98	0.96



independent external parties.

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

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

Learning and development

Here are some of the highlights of our learning programs in 2020:

- Our new employee learning platform more effectively targets our audience and delivers the right content, at the right moment and the right level. The new platform gives us the opportunity to create blended formats for courses and development solutions that will broaden the proposition we have for our people.
- A total of 125 e-learning courses were completed by 31 October 2020. We decided to change our supplier and began using LinkedIn Learning, as we felt it has more content and a wider variety of languages for all our employees globally. It also enables us to create blended courses on different topics such as diversity and inclusion, working remotely, and successfully conducting end-of-year meetings.
- All managers were trained to be able to have an effective and fair end-of-year appraisal meeting with their teams.
- Thirteen participants joined our Managing at Robeco training program, aimed at strengthening our managers' core capabilities. This program strives to the participants' individual goals and preferences while also encouraging them to look ahead and determine what they need to do to grow professionally.
- Our Connect and Learn program provides continuous learning opportunities from leading experts in the academic field. Topics tackled in 2020 were tailored to the circumstances and included dealing with adversity in times of Covid-19, the value of taking time off, and the origin of the Black Lives Matter movement.
- To support our staff in delivering better service to clients while working under Covid-19 restrictions, we developed several educational programs.

Vitality and work-life balance

We offer our people the means to enhance their vitality and sustainable employability, and we believe that the ability to work from home and keep flexible hours help to build a better work/life balance. In addition, we want to offer staff the best possible working conditions when they do work in the office. We provide comfortable modern office spaces, with adjustable sit/stand desks and ergonomic office chairs, next to a wide range of healthy choices in our company restaurants. Open consultations for employees with the company doctor allow them to discuss work-related health issues privately, and a confidential counselor is available to tackle personal issues. Internal coaches are at hand to discuss personal development outside of the performance cycle. We offer subsidized gym memberships to our employees to encourage them to exercise. Finally, we offer all employees health checks, a health, safety and welfare service, a health benefit program, and a workshop to quit smoking.

Diversity and inclusion

A diverse workforce leads to much richer debates and helps us make better decisions, come up with better ideas, and ultimately, achieve better results for our clients. We aim to reach:

- A gender diversity level of at least 30%.
- At least 10% of our staff to be aged below 30, and at least 20% to be over 50.
- A cultural diversity level of at least 30% .
- A mix of different educational backgrounds.

To enhance diversity, our HR team collaborates with the Diversity@FIRST team. This team, itself made up of a diverse group of employees, advises our ExCo on the execution of a plan to further increase diversity and inclusion throughout the company. Diversity@FIRST also promotes bottom-up initiatives like a knowledge sharing session on the Black Lives Matter movement and its impact.

In addition, discrimination of any type will not be tolerated. The principle of equal opportunity applies to all employees and is an explicit component of application procedures. All vacancies are widely advertised and no groups are excluded. All qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, sexual orientation, gender identity, disability or any other characteristic. Temporary or part-time employees are proportionally entitled to the same benefit packages provided to full-time employees with a permanent contract. A procedure for reporting cases of discrimination is in place. We have not received new reports of discrimination in 2020; one case is pending.

Number of employees, new hires and turnover

	2020	2019	2018
Number of employees (FTE)	882	947	955
Number of new employee hires (persons)	57	89	79
Male	38	45	45
Female	19	44	34
Turnover	15%	13%	10%

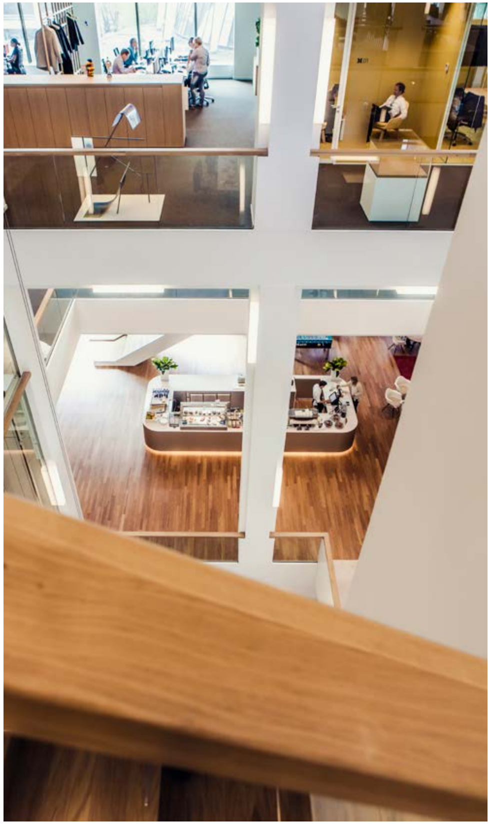
Employee engagement

Our annual online survey measures overall engagement and satisfaction among our people. In 2020, the response rate was 81.3%. This year's questionnaire consisted of a mix of general questions as well as some specific domain and Covid-19 related questions. Managers were also free to add questions relating to their team(s). Each year, all teams discuss the results, and draw up an action plan to address areas for improvement. In addition, all managers discuss their conclusions and their action plan with their respective representative on our ExCo, which serves to embed the survey in our annual Performance Management Cycle.

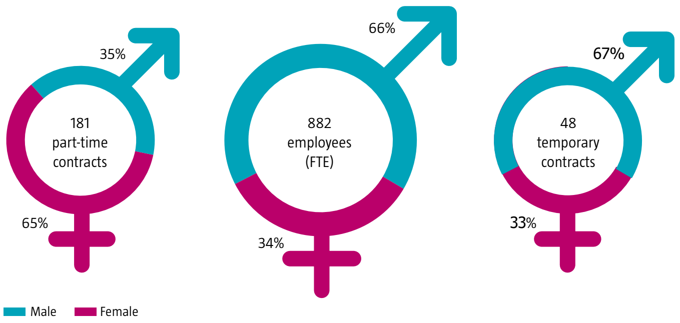
Employee engagement survey

	2020*	**2019**	**2018**
General engagement	7.6	7.4	7.5
Number of respondents	658	846	826
% of total surveys sent out	81.3*	87.4	85.3

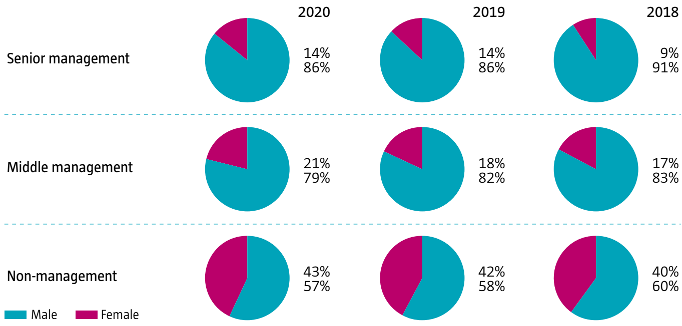
* = Robeco Switzerland not included; 2018 and 2019 figures show joint results for both Robeco and RobecoSAM



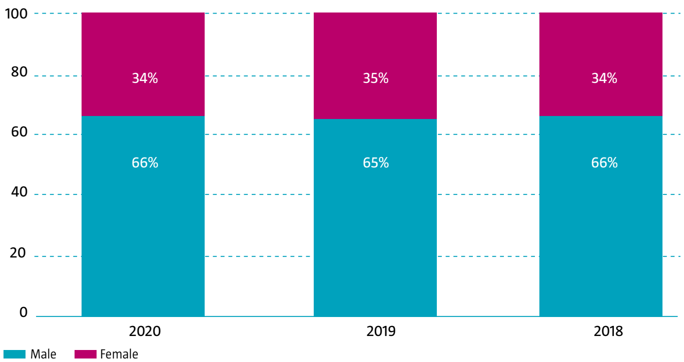
Gender distribution in general, by type of contract and by working time



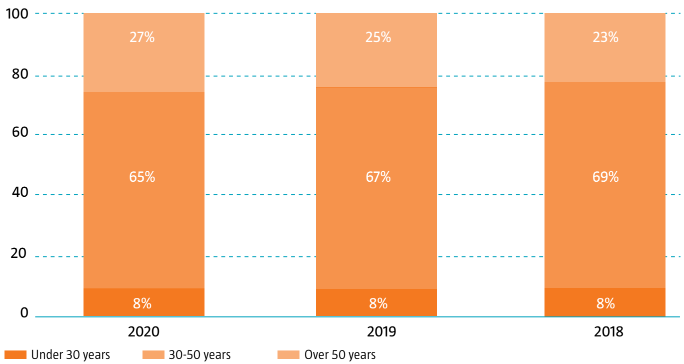
Gender distribution per employment category



Gender distribution per reporting year



Age distribution



HOW WE GIVE BACK TO THE COMMUNITIES WHERE WE HAVE A PRESENCE

Robeco Foundation: Next steps, and the Covid-19 pandemic

Launched in 2018, the Robeco Foundation (the Foundation) aims to create equal opportunities for disadvantaged children by investing in talent development through education in the communities where we have a presence. Thus, it contributes to UN Sustainable Development Goals 1 (eliminate poverty), 4 (provide quality education) and 10 (reduce inequality). In 2020, the Foundation set next steps in realizing its mission, and helped children who were at risk of falling behind as a result of Covid-19.

Partnership with Room to Read

At the end of 2019, the Foundation expanded internationally by signing a partnership with Room to Read, a non-profit focused on girls' education and children's literacy in Asia and Africa. Our donation enables Room to Read to implement its three-year program at a primary school in South Africa, close to the region where our clients are based. Room to Read has been operating its literacy program in several parts of the country at over 620 schools, and has benefited 517,000 children to date. At the end of 2020, about 300 of our employees joined our Global Vitality Challenge to amass EUR 45,530 to further support Room to Read.

Rotterdam Digital Skills Program

The Foundation continued the Rotterdam Digital Skills Program, which supports Rotterdam's primary and secondary schools with activities aimed at improving the digital skills of children from less advantaged backgrounds. In May, following the outbreak of Covid-19, the Foundation financially supported BOOR, an organization that manages public education for about 30,000 students in the Rotterdam area. This enabled BOOR to provide digital education from a distance. With the donation for Delfshaven Helpt!, a network of volunteers, residents and companies that supports the residents of Delfshaven (part of Rotterdam) in various ways during Covid-19, the Foundation enabled this network to purchase Chromebooks and tablets for children.

New partnership: JINC

In July, we started a partnership with JINC, a Dutch NGO that helps young people (between 8 and 16) to a good start in the labour market. The partnership focuses on the Rotterdam area, where JINC reaches about 15,000 children, mostly from socioeconomically disadvantaged neighborhoods. Our partnership gives us the opportunity to join and actively participate in several of JINC's programs through which children get acquainted with various professions, find out what kind of work suits their talents, and learn how to apply for a job.

Sam& voor alle kinderen

In December, 292 colleagues chose to donate their Christmas gift to Sam& voor alle kinderen ('Together for all children'), a partnership that offers parents and intermediaries easy access to organizations that help families who are less well-off than others. The Foundation matched the raised amount; our donation was used to support children in the Rotterdam area who are at risk of falling behind at school as a result of the pandemic.

Social commitment

Earning the trust of the communities in which we operate is essential to maintaining our social license to operate. That is why we support projects that benefit these communities by providing donations and enabling employees to perform voluntary work. Our Social Commitment Committee assesses projects submitted by employees based on our Policy on Social Commitment and Donations. In 2020, the amount spent was EUR 37,243. This lower number is due to the Covid-19 pandemic and a smaller number of donations.

Some of the highlights of 2020:

- In February, Robeco sponsored the annual spinning marathon for the Erasmus MC-Sophia Children's Hospital in Rotterdam with EUR 10,000, and a group of employees additionally donated to this charity.
- In June, our Roparun 2020 team collected EUR 15,500 for Stichting Roparun Palliatieve Zorg. Because of the Covid-19 pandemic, the Roparun itself was cancelled, but our team collected alternative funds such as a Valentine flower sale, a lottery ticket sale and chair massages.

HOW WE INTEGRATE SUSTAINABILITY IN PROCUREMENT AND LIMIT OUR ENVIRONMENTAL FOOTPRINT

Seven principles of sustainable procurement

Every proposal or quote must match the seven principles of sustainable procurement.

Human rights

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

Labor

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

Environment

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

Anti-corruption

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

In recent years, Robeco already achieved significant carbon reduction by moving to a sustainable head office ("FIRST") in Rotterdam, which has a BREAAM certificate. Maintenance to our head office is done as sustainably as possible, and we recycle when possible. For example, our sustainable tea (to which we switched in 2020) for clients and employees is offered in tea boxes made from residual wood.

In 2020, we performed an energy audit based on the European Energy Directive (EED), in which the 2019 carbon data were further analyzed. In the context of this audit, our global carbon footprint was examined, whereby three main energy flows were further mapped out:

1. Our offices.
2. Energy required for performance of business activities.
3. Mobility of employees

2019 is the baseline and therefore the reference for the coming years. The EED report includes targets for energy savings in the years 2021 to 2024 and thus for further reducing Robeco's global carbon footprint.

The target for 2024/2025 is to save 15% on our carbon footprint compared to 2019. As a result of Covid-19, we realized a reduction in carbon footprint because most of our people worked from home. Therefore no explicit comparison with 2019 is included. In addition, we reduced our carbon footprint through less mobility (considerably less flight kilometers, less fuel lease cars). This reduction is not permanent as we expect that employee mobility will increase again; further research will be carried out in 2021 into the target to be achieved for the years 2024/2025.

The data quality for most data points has been improved for this report and, as a result of insight advances over the past year, better bases and/or estimates have therefore been used. We wish to contribute to the Paris climate goals and to comply with the European Energy Directive forming part of the European environmental legislation. To this end, an energy management research study was carried out in 2020. The results of this research have resulted in the following adjustments to our environmental footprint:

- The description of the organizational boundaries of the footprint has been improved. The footprint has been established for the entire Robeco organization, including its international offices. The different energy sources elaborated have been placed within the three scopes in accordance with ISO 14064: 2018.
- Scope 3 includes all energy sources from business travel, working from home, processing of waste, outsourced emissions from our data centers and paper consumption.
- The emissions from data centers are not included in the report. Although Robeco engages with its providers of data center services and SAAS services, these vendors are not able to provide details of the data center carbon footprint for Robeco. We will continue to engage with these vendors to obtain reliable data for the next sustainability report.
- This report establishes and describes data coverage and quality of source data for the first time. Data quality and data coverage are substantiated in the appendix.
- The energy source 'Travel by lease car' for 2020 is differentiated according to type of fuel and class, and is based on primary data. The carbon emissions are calculated on the basis of the quantities of fuel actually used and kWh instead of average carbon emissions/km. The different types of fuel are linked to the correct scope according to ISO 14064.

Resource consumption

		Metric unit	GRI[2]	Data coverage[8]	Data quality[7]	2020[1]	2019	2018
Energy[3]		kWh	302	99,7%	***	3,045,565	2,802,802	2,819,436
City heating		GJ	302	82,7%	***	3,349	n/a	n/a
Drinking water		m3	303	98,5%	**	4,081	3,936	4,092
Rain water for toilets		m3		99,0%	***	1,117	1,228	1,228
Paper consumption		kg	301	99,5%	*	4,550	8,269	10,528
Waste[4]		kg	306	98,5%	***	50,561	n/a	n/a
Business travel air[5]	<460 km	km		97,6%	***	222,732	n/a	n/a
	>460 , <3700km - Economy Class	km		97,6%	***	369,230	n/a	n/a
	>460 , <3700km - First/Business Class	km		97,6%	***	24,486	n/a	n/a
	>3700km - Economy Class	km		97,6%	***	503,930	n/a	n/a
	>3700km - First/Business Class	km		97,6%	***	1,582,362	n/a	n/a
	Total	km		97,6%	***	2,702,741	16,175,679	15,810,173
Travel by public transport[6]		km		77,3%	*	14,898	n/a	n/a
Travel by private car		km		73,6%	***	112,221	n/a	n/a
Travel by lease car		km		95,8%	***	2,629,610	4,672,931	4,039,439
	Consumed Petrol	ltr		95,8%	***	75,310	n/a	n/a
	Consumed Diesel	ltr		95,8%	***	30,112	n/a	n/a
	Consumed Electricity Green	kWh		95,8%	***	153,559	n/a	n/a
	Consumed Electricity Grey	kWh		95,8%	***	24,566	n/a	n/a

Legend: kWh = kilo watt hour; km = kilometer; M3 = cubic meter; kg = kilogram; ltr = liter
1. Reporting period 2020 (1 january 2020 - 31 december 2020)
2. Reference to GRI Sustainability Reporting Standards (see also www.globalreporting.org) and ISO14064
3. Gross energy consumption of all locations and work from home.
4. Waste includes paper, cardboard, residual waste and swill.
5. Business travel air split by distance and by class. First and Business are combined since First Class is incidental.
6. Public transport mainly by train
7. Specifies the reliability of the aggregated data which correspondents with the evidence based consumption related to the total reported consumption: >80% - ***, >60% - **, <60% - *
8. Reference to availability of data based on M2 or FTE's
In appendices is explained what the base is for the consumption numbers.

- The energy source 'Business travel' is differentiated according to type (air travel, public transport and business travel using a private car) and calculated using separate emission factors instead of average carbon emissions/km multiplied by total kilometers traveled on business.
- The energy source 'Business travel by air' is differentiated according to length of flight (short, medium and long) and type (economy or first class/business class) and calculated using separate emission factors instead of average carbon emissions/km multiplied by total air kilometers traveled on business.
- The energy consumption of all locations worldwide is investigated and, where possible, energy use is based on direct measurement or invoices and included in this footprint. Data coverage of the footprint has been improved.
- In this footprint, national conversion factors and global warming potential (GWP) have been published to calculate emissions. In the absence of such national data, the Dutch conversion factors have been used for the calculation of the GHG emissions as published on the website www.co2emissiefactoren.nl together with the UK Government GHG Conversion Factors 2020 for Company Reporting.

Greenhouse gas emissions in relation to value chain

	Emission type	Metric unit	2020[1]	2019	2018	2020[1]	2019	2018
Travel by lease car	scope 1 + 2	ton CO2e	320,0	772	715	18%	15%	14%
Energy location based	scope 2	ton CO2e	372,4	1.603	1.613	21%	30%	31%
Business travel	scope 3	ton CO2e	882,8	2.924	2.890	50%	55%	55%
Work from home	scope 3	ton CO2e	156,4	n/a	n/a	9%	0%	0%
Drink water	scope 3	ton CO2e	1,2	n/a	n/a	0%	0%	0%
Paper consumption	scope 3	ton CO2e	5,5	n/a	n/a	0%	0%	0%
Waste	scope 3	ton CO2e	36,3	n/a	n/a	2%	0%	0%
Total			1.774,6	5.299	5.218	100%	100%	100%

Legend: ton CO2e = 1000 kg CO2 equivalents
1. Reporting period 2020 (1 january 2020 - 31 december 2020)
In appendices is explained which conversion factors have been used to calculate the emissions and in which way they are different compared to prior years.

APPENDICES

Climate-related financial disclosure

Robeco supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In accord with these recommendations, this appendix describes our climate-related governance, strategy, risk management and metrics, both for our own business and for our clients.

Governance of climate risks

The ExCo carries overall responsibility for defining Robeco's sustainability approach. This includes company-wide values, policies, initiatives and actions, also in the area of climate change. The ExCo is supported herein by the Sustainability and Impact Strategy Committee (SISC), which acts as an advisory body overseeing all matters related to SI (see page 40 of this report). The SISC consist of members of the ExCo together with senior directors and senior experts from investment teams and from the Sustainable Investing Center of Expertise.

The Climate Change Committee (CCC) is the company's central group of competence to drive progress on climate change-related topics. The CCC is responsible for developing and realizing a comprehensive climate strategy by which Robeco aims to demonstrate leadership in managing climate risks, capitalizing on climate opportunities, and aligning its investment portfolios with the goals of the Paris Agreement. The CCC is chaired by a dedicated climate strategist and consists of senior experts from investment teams, sustainability research, active ownership, risk management and data engineering.

The CCC reports its progress bi-monthly to the SISC and submits topics for decision making when opportune. The ExCo is kept up to date by the SISC once a month on relevant sustainability matters.

Our climate strategy

We assess the actual and potential impacts of climate-related risks and opportunities on our businesses, strategy, and financial planning, and how these may be material in the short, medium and long term, on a continuous basis (see next page).

How climate-related risks affect our business and how we prepare

Assessment	Impact
Regulatory developments and market standards Evolving climate-related standards may affect the way asset managers integrate ESG considerations into their investment decisions. – We expect related standards to strengthen in the next one to five years.	We monitor developments of regulators, standards-setting bodies, NGOs, etc. which are developing relevant standards and methods. Developing capabilities to identify and assess climate risks (e.g. scenario and stress test approaches) will be increasingly important to meet this soft compliance pressure, which will likely turn into hard regulation. To cope with these regulatory requirements Robeco has put in place a program to ensure compliance with regulation.
Climate and ESG-related factor integration is becoming mainstream The development of climate standards and disclosure requirements will help advance the integration of ESG factors in investments in general, turning ESG integration into a mainstream activity for asset managers. Maintaining a unique selling proposition as an ESG-focused asset manager will therefore become more difficult over time. – We expect related developments over the next five years.	Robeco's ESG-integration approach goes beyond simple exclusion and screening methodologies, focusing on outcomes (financial and non-financial) and active ownership. To remain leading, we will invest further in climate research, active ownership specialists and technology. A critical factor for the coming years is to demonstrate the impact of ESG integration and active ownership in investment decisions and outcomes, and ensure all of our strategies are prepared for climate impacts.
Investment risks and opportunities Transition risks posed by climate change are highly likely to affect the value of our investments. Climate policy actions, technological innovation and market demand may shift (suddenly), leading to stranded assets in investment portfolios, or the gradual depreciation of fossil fuel-related or dependent sectors. These developments will be considered in our risk management and investment processes. – Risks are likely to accelerate during the next 10 years. The physical risks of climate change are likely to affect the value of our investments. Assets (often uninsured) and supply chains will be affected by climate change-related severe weather events and rising sea levels. Property losses, infrastructure disruption, workforce issues and loss of food production are only a few examples. These developments will be considered in our risk management and investment processes. – Risks may occur anywhere between today and the next 30 years.	Robeco is developing new approaches to climate risk assessment to safeguard our investment strategies, capitalize on climate opportunities, and expand our product offering. This coincides with the increased demand from our clients for climate-resilient investment solutions. – We partner with our clients to help them achieve their financial and sustainability objectives, and increasingly those related to climate change. – Our fundamental and quantitative research already addresses aspects of transition and physical risk. The quality of climate-related data continues to improve, as more companies report and data providers improve their offerings. We continually improve the insights we gain from such data. – The risk management department of Robeco has developed climate stress testing to assess climate risks across specific portfolios and to our business model, and will also benefit from these new data sources. Lastly we measured the carbon footprint of all of our portfolios and are assessing how to bring the group-wide footprint in line with a 1.5 Celsius degree pathway.

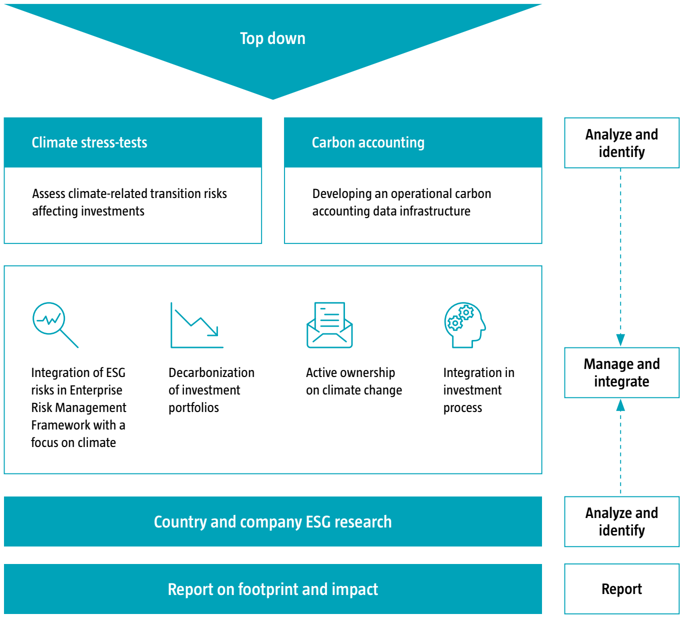
Robeco acknowledges that climate change, if unmitigated, will have an unacceptable long-term impact on society and the global economy. We also see that the low-carbon transition will trigger both investment opportunities and transition risks across all sectors of the economy. We acknowledge the responsibility of the asset management industry to address climate change risks and opportunities through its investment decisions, as well as through its influence on investee companies and other institutions.

In view of this, Robeco adopted a climate strategy that spells out four key areas of action:

1. Decarbonizing assets under management and aligning investments with an emissions reduction pathway that will lead to a global net zero economy by 2050.
2. Integrating financially material climate-related issues into our investment processes, and developing new opportunities to offer climate-related products and investment solutions.
3. Integrating climate change risks into our risk management processes by analyzing and monitoring these risks as they relate to our clients' investment portfolios.
4. Engaging for change with the companies we invest in in terms of aligning their business strategies with goals of the Paris Agreement, as well as engaging with clients, the public, and relevant institutions.

To guide our efforts in these areas, we are enhancing our capacities in climate scenario modelling, carbon accounting, forward-looking data, climate-related research on countries and companies, and reporting on carbon footprints and climate impacts.

Robeco's climate strategy



Data and research

We have developed an operational carbon accounting data infrastructure: a tool available to our investment teams that calculates carbon intensities and footprints across a variety of metrics. The calculations are based on emissions data of scope 1 and 2, and selected scope 3 data. These calculations allow us to assess and quantify carbon emissions embedded in our investments across all our equity and corporate debt portfolios.

Fundamental country and company research is carried out by the SI research team and used by investments teams across the company. We assess the climate strategy and adaptive capacity of a company systematically using the dedicated climate strategy questions in the Corporate Sustainability Assessment. These questions are aligned with the Carbon Disclosure Project (CDP).

We have access to forward-looking data in sectors where climate change poses material risks and opportunities (utilities, oil and gas etc.). Our analysts take this data and convert it into scores, footprint reports, impact reports and insights that are then integrated across our range of asset management products and services.

We are in the process of acquiring granular physical risk data for complementing the research and tooling we use in our investment and risk management processes.

Integration in investment processes

We believe that systematically considering climate change issues is essential to the success of our investing strategies. Our materiality research determines for which sectors and industries climate change is material, and on which time horizon. When material within the relevant investment horizon is found, the climate change strategy of a company is analyzed and compared to its peers. Based on this analysis, our sustainability and financial analysts work together to assess the impact on the company's business model, products and services. By including the analysis on climate change in the investment process, our fundamental analysts have a better view of the risks and opportunities companies are exposed to. This view is then incorporated into our investment analysis and strategies. For example, our quant department decided that the portfolio carbon emission intensity of all our quant strategies should never exceed that of the benchmark.

Besides analyzing and integrating climate-related risks, we also seek opportunities to contribute positively with our investment strategies to mitigate climate change. In December 2020, we launched two fixed income funds which apply the EU Regulation on Paris-aligned Benchmarks. Our SDG funds, launched in 2017 and 2018, also contribute by addressing SDG 7 (affordable and clean energy), SDG 12 (responsible consumption and production) and SDG 13 (climate action).

Integration in risk management

Robeco has in place a comprehensive Enterprise Risk Management Framework for all relevant financial and non-financial risks. Since 2018, the Financial Risk Management team has assessed climate-related transition risks affecting investments by adapting a stress-test approach based on four different scenarios developed by the Dutch Central Bank. Each scenario is translated into an impact (shock) on key macroeconomic variables and then disaggregated into 56 industries based on each industry's relative vulnerability to energy transition risks.

As not all companies within a sector will be impacted in the same way, our follow-up work focuses on developing a company-specific climate risk indicator. This assesses the current situation of a company (i.e. its scope 1, 2 and 3 emissions) combined with its adaptive capacity to move to a carbon-neutral economy (e.g. green/brown share). This gives the indicator a forward-looking character. Companies obtain a climate risk score that ranges from 1 to 10. These scores enables us to make climate risk profiles on portfolio, strategy and capability level, both on an absolute basis as well as relative to a benchmark. Currently in prototype, we will be working to make the climate risk profiles available to the organization. The profiles will allow financial risk management and portfolios managers to analyze and discuss climate risk sensitivities within portfolios. This contributes to the building of climate risk awareness throughout the organization.

We also updated our internal climate risk scenarios with two scenarios:

1. Orderly stranded assets scenario: A longer-term scenario with the estimated effect on assets if financial markets move in line with the Paris Agreement.
2. Disorderly stranded assets scenario: One in which an abrupt (short-term) transition to green technology is simulated. As result, industries that are more dependent on brown technologies are hit severely.

Shocks are determined on equity prices, credits spreads and interest rates. The shocks are calculated as a range: depending on the climate risk score, a company can be hit more or less in terms of the estimated impact on its industry. The scenarios are not an exact science and serve the purpose of stimulating further discussion with portfolio managers.

The next step in the development of our climate risk management approach is to include physical risk scenarios.

Decarbonization

Robeco is determined to make our contribution to the goal of the Paris Agreement to keep the rise in global temperature well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C. Based on this, we have the ambition to achieve net zero by 2050 for all assets under management. We will work with our clients to set decarbonization targets aligned with this ambition.

In line with our commitment to the Net Zero Asset Managers Initiative and the Dutch Climate Accord, we are currently working on a company-wide decarbonization strategy with clear targets for 2025 and 2030, to be publicly announced by November 2021 at the latest, prior to the UN Climate Summit (COP26).

Existing decarbonization measures include the carbon reduction targets of our SI Focused funds, and the fossil fuel exclusion policy we expanded in 2020 to cover all of our investments (see section on Targets).

In late 2020, different investor frameworks for setting decarbonization targets became available[3]. We are assessing these frameworks and taking action so as to have the appropriate data and tooling in place, allowing us to develop targets and assess the expected consequences on our investment strategies.

3. These include the IIGCC Net Zero Investment Framework, the UN Net-Zero Asset Owner Alliance Target-Setting Protocol, and the Financial Sector Science-Based Targets Guidance.

Our rationale for decarbonizing the portfolios are two-fold:

1. Risk-adjusted return perspective: in the mid-term, we see transition and physical climate change issues as a risk to investment returns. We believe that carbon-intensive sectors and companies will be more affected by these risks.
2. Systemic perspective: in the long term, climate change needs to be solved in order to keep our societies and economies afloat. Although decarbonizing portfolios does not directly decarbonize the companies in which we invest, nor the economy, we believe that active asset allocation decisions does have real world impact, particularly when combined with active ownership and policy engagement.

Active ownership

We have a long track record of engaging with companies on their ESG practices, and using our voting rights to support shareholder proposals that help address climate change risks. We encourage the implementation of proactive and ambitious environmental strategies, the pursuit of operational excellence, the creation of asset portfolio resilience, the innovation of business models, and responsible participation in the public policy debate. In our climate engagement program, we focus on industries most prone to climate change risks, such as energy, utilities, car manufacturers and real estate. Collaboration is important to achieve our engagement goals. We play an active role in several climate change collaboration platforms, most notably the Climate Action 100+ initiative.

Metrics and targets

Carbon footprint

We use multiple metrics to measure the carbon footprints of our investments. In line with the Task force for Climate-related Financial Disclosures (TCFD) recommendations, we measure the carbon intensity of our investments using the Weighted Average Carbon Intensity (WACI) approach. This makes emissions comparable across companies by dividing carbon emissions by revenues in a given year for each company that we invest in. The WACI approach is often used with the purpose of assessing carbon risks.

In line with the Partnership for Carbon Accounting Financials (PCAF) and the EU requirements for climate benchmarks, we also measure the carbon footprint of our investments by attributing carbon emissions to their share of enterprise value, broadly defined as the combined value of equity and net debt. This metric is aligned with ownership of carbon emissions and therefore often used to decarbonize portfolios with the systemic perspective in mind.

Robeco offers its clients full reporting on greenhouse gas emissions for all portfolios managed, both on intensity and on ownership metrics. For our Sustainability Focused fund range, the greenhouse gas footprint is also part of the public reporting in the monthly Portfolio Manager's Update. For the thematic funds which have a focus on investing in companies that contribute to sustainable development, impact reporting is also available.

In line with our commitment to the Dutch Climate Accord, we are publicly disclosing the carbon footprints of relevant investment as of financial year 2020.

Carbon figures in funds

	Equities	Fixed income	Multi Asset	Total
Portfolio AUM (USD)	64,705,869,031	39,267,587,063	4,381,821,998	108,355,278,092
of which reported here	63,438,351,395	28,214,948,909	3,998,207,303	95,651,507,607
Share of total AUM (%)	30,6%	18,6%	2,1%	51,3%
Total emissions (tons of CO2eq)	6,146,106	2,925,394	258,907	9,330,407
Carbon footprint (tons of CO2eq / USD mln)	98	128	67	104
Carbon intensity (tons of CO2eq / USD mln)	130	192	97	145
Data coverage / quality	98,6%	81,3%	96,3%	93,4%

Targets
For strategies that are branded sustainable (the SI Focused range), the target carbon footprint is 20% lower than the benchmark.

In September 2020, we expanded the scope of our fossil fuel exclusion policy. Companies that derive 25% or more of their revenues from thermal coal (power generation or mining) or oil sands, or 10% from Arctic drilling will be excluded from our funds. For sustainable strategies, we added exclusions for companies that derive 10% or more of their revenues from oil sands, or 5% from Arctic drilling. The new exclusions were completed by Q4 2020. For sustainable strategies, we already had in place an exclusion for companies that derive 10% or more of their revenues from thermal coal (power generation or mining).

In the course of 2021, Robeco will announce company-wide decarbonization targets, as per our commitment to the Dutch Climate Accord, the Net Zero Asset Managers Initiative, and therewith the goals of the Paris Agreement. Our decarbonization strategy will comprise a combination of approaches, including carbon reduction targets for portfolios where possible, investment in climate solutions, and engagement with companies and policymakers.

Our resilience

Based on the considerations above, we find that the resilience of Robeco's value creation model is not fundamentally affected by climate change. Our role as an asset manager, the value we provide to our clients, and our core revenue mechanism are not expected to change in the face of climate-related transition risks. We believe that the low-carbon transition will trigger not only risks but also wide investment opportunities, and we believe that the uncertain and dispersed nature of the effects of climate change makes a case for active management.

However, increasing climate-related investment risks will force asset managers more and more to include ESG considerations into their investment strategies. In that sense, ESG integration is likely to become more mainstream. Differentiating ourselves as a sustainable asset manager may therefore become more challenging over time. More transparency around ESG standards, such as the EU Taxonomy, may also expand opportunities for passively managed funds, which could increase downward pressure on fees for actively managed ESG funds.

We are convinced that we are in a good position to deal with these trends thanks to:

1. Our long history as a sustainability pioneer. We have proven our leadership on ESG issues generally, and we also lead in climate research through our in-house ESG research and active ownership teams.
2. Our track record in research and innovation. Close collaboration between ESG research and investment teams allows us to offer valuable climate solutions for our clients.

Measurement method environmental footprint own operations

Conversion factors CO_2 emissions 2020

Travel by lease car	Source	Factor	Unit
Lease cars - Petrol	www.co2emissiefactoren.nl / Brandstoffen voertuigen / Benzine (E95)(NL) / WTW	2,74	kg CO_{2e} per liter
Lease cars - Diesel	www.co2emissiefactoren.nl / Brandstoffen voertuigen / Diesel(NL) / WTW	3,32	kg CO_{2e} per liter
Lease cars - Electricity Green	www.co2emissiefactoren.nl / Brandstoffen voertuigen / Groene stroom	0	kg CO_{2e} per kWh
Lease cars - Electricity Grey	www.co2emissiefactoren.nl / Elektriciteit / Grijze stroom	0,556	kg CO_{2e} per kWh
Energy location based			
Energy location based	www.co2emissiefactoren.nl / Elektriciteit / Grijze stroom	0,556	kg CO_{2e} per kWh
Wind Energy	www.co2emissiefactoren.nl / Elektriciteit / Groene stroom	0	kg CO_{2e} per kWh
Heating	CO2 emissiefactor FIRST Rotterdam submitted by Eneco	18,74	kg CO_{2e} per GJ
Business travel			
<460km - Average passenger	DEFRA conversion factors 2020 - Business travel - air for Radiative Forcing - Domestic	0,2443	kg CO_{2e} per km
>460km, <3700km - Economy clas	DEFRA conversion factors 2020 - Business travel - air for Radiative Forcing - Short haul	0,15298	kg CO_{2e} per km
>460km, <3700km - First/Business class	DEFRA conversion factors 2020 - Business travel - air for Radiative Forcing - Short haul	0,22947	kg CO_{2e} per km
>3700km - Economy class	DEFRA conversion factors 2020 - Business travel - air for Radiative Forcing - Long haul	0,14615	kg CO_{2e} per km
>3700km - First/Business class	DEFRA conversion factors 2020 - Business travel - air for Radiative Forcing - Long haul	0,42385	kg CO_{2e} per km
Travel by public transport	www.co2emissiefactoren.nl / Personenvervoer / Trein	0,006	kg CO_{2e} per km
Travel by private car	www.co2emissiefactoren.nl / Personenvervoer / Auto / Brandstof onbekend	0,195	kg CO_{2e} per km
Work from home			
Energy work from home	www.co2emissiefactoren.nl / Elektriciteit / Grijze stroom	0,556	kg CO_{2e} per kWh
Drink water			
Water	www.milieubarometer.nl	0,298	kg CO_{2e} per m3
Paper consumption			
Office paper	www.milieubarometer.nl	1,21	kg CO_{2e} per kg
Waste			
Glas	CE Delft 2007 Milieukentallen van verpakkingen	0,443	kg CO_{2e} per kg
Wood	CE Delft 2007 Milieukentallen van verpakkingen	0	kg CO_{2e} per kg
Swill	CE Delft Afvalverwerking en CO2 (pag. 40 par. 5.3.5)	0,051	kg CO_{2e} per kg
Paper & paperboard	CE Delft 2007 Milieukentallen van verpakkingen	0,676	kg CO_{2e} per kg
Residual waste	Van Dorp	1,203	kg CO_{2e} per kg

In the 2020 period, full carbon footprint reporting in accordance with ISO 14064-1 and the Greenhouse Gas Protocol was performed for the first time. For the purpose of substantiation, this appendix provides information on the energy flows, uncertainties and trends, and the mandatory components prescribed by ISO 14064.

Boundary

The boundary reporting organization corresponds to the organization referred to on page 8 'our offices'. Not included in the carbon emissions calculation for 2020 are the offices of Boston Partners and Canara Robeco, and the Robeco office in Luxembourg.

Boston Partners and Canara Robeco are affiliated Robeco investment advisers and outside the boundary scope.

The office in Luxembourg was kept out of the evaluation, as it was dissolved in late December 2020 and is not significant in terms of its carbon footprint.

Verification statement

The carbon footprint report has not yet been verified, but whilst reviewing the sustainability report, KPMG also looked at the carbon footprint report within the scope of their limited assurance procedures. Robeco added to its statement that the inventory was performed in accordance with the requirements and recommendations of ISO

Conversion factors for CO_{2e} emissions 2018 and 2019

Travel by lease car	Source	Factor	Unit
Lease cars - Petrol	DEFRA conversion factors 2020 - passenger car upper medium class petrol	0,20161	kg CO_{2e} per kilometer
Lease cars - Diesel	DEFRA conversion factors 2020 - passenger car upper medium class diesel	0,16098	kg CO_{2e} per kilometer
Energy	CO2 Emissiefactoren - Grid average the Netherlands	0,572	ton CO_{2e} per MWh
	DEFRA conversion factors 2020 - International flight, counting for Radiative Forcing[1]	0,18181	kg CO_{2e} per passenger kilometer

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

14064-1 and the GHG Protocol. The above carbon inventory contains no material inaccuracies that would prejudice the 5% materiality requirement.

Reporting period

Robeco's carbon footprint reporting is synchronous with the calendar year and the financial year. The financial year runs from 1 January through 31 December. The reporting period is the full calendar year 2020.

Scope 1 Direct emissions

The energy flows in Robeco's Scope 1 emissions relate to the fuel consumption of the fleet of vehicles. Fuel consumption in the Netherlands was mapped out together with the leasing companies, giving insight according to type and amount of fuel. At the international offices, the consumption data for the eight vehicles still being used for the organization were not yet available for this period. In 2020, the vehicle fleet in the Netherlands consumed a total of 105,422 liters of fuel. The vehicle fleet in the Netherlands consisted of a total of 153 cars averaged over 2020.

Analytical comparison with the preceding years shows that the reported emissions had been grossly overestimated in the preceding years, since the vehicle fleet emissions in those years were calculated using a mean emission factor/kilometer. Operating electric cars and differentiating according to effective fuel consumption per type of fuel significantly reduces the carbon emissions in the calculation for the vehicle fleet. The number of vehicles used was clearly also significantly lower in 2020. As a result of the Covid-19 pandemic, employees traveled much less in their lease cars. The effect this had also resulted in lower carbon emissions compared to preceding periods. A comparison with preceding years is therefore hardly viable. In 2020, the total energy consumption of the vehicle fleet in Scope 1 produced 18% of Robeco's total carbon emissions.

Scope 2 Indirect emissions

The energy flows in Robeco's Scope 2 emissions consist of office energy consumption including electricity consumption and collective heat supply from district heating, together with the electricity consumption of the vehicle fleet referred to above under Scope 1.

Electricity consumption by the vehicle fleet was mapped out together with the leasing companies and the building manager in Rotterdam. In the parking garage at the head office in Rotterdam, Robeco has access to an extensive charging network. In 2020, a total of 178,125 kWh of electricity were used for the vehicle fleet in the Netherlands at the Robeco location and at third-party charging points. Charging consumption by the vehicle fleet using charging points at the Robeco location concerned certified green power.

Office energy consumption was mapped out with the aid of invoices and reports from building managers or, when data could not be obtained from these parties, on the basis of local standard data. The local standard data came from public source data in the different countries. In 2020, office electricity consumption amounted to a total of 3,064,258 kWh, with the head office in Rotterdam responsible for 80% of the electricity consumption. Insight on an invoicing basis is given into the total electricity consumption of the head office, for which certified green power from the Netherlands was purchased. The emissions from this green power were used in the calculation. Of the remaining 20% of electricity consumed in the international offices, 257,893 kWh is also substantiated by means of invoices and overviews (9% of the foreign electricity consumption). In total, 80% of the electricity consumption at the location is fully substantiated with primary data, and the remaining 20% of electricity consumption was calculated by means of secondary data from public data sources. From mid-March 2020, most employees worked from home as a result of the Covid-19 pandemic. The consumption of electricity then also shifted from the office to the home, and carbon emissions therefore shifted from Scope 2 to Scope 3 accordingly. As a result, Robeco decided to map out emissions from home consumption in Scope 3 as well (see description of Scope 3 – home consumption).

Energy consumption as a result of district heating supplying collective heating was included in this report for the first time. Data on consumption in the Netherlands at the head office in Rotterdam and on office heat consumption by the Swiss office were supplied by the building manager. Insight into the energy consumption of the remaining international locations has not yet been provided. In relation to the surface area of the locations, full insight has thereby been given into 81% of the total energy consumption for the heat supply of the locations. For the location in New York, standard data were used to determine energy consumption (a total of 2% of the total rented surface area). The remaining 17% of energy consumption for heating could not yet be determined. The coverage from district heating is thus determined to a total of 83%.

Compared to preceding years, the energy consumption at the locations was diversified according to the type of energy flow (electricity consumption and district heating) and the type of electricity (gray or green power/own generation). The emissions from electricity consumption were calculated with the aid of specific emission factors. For the first time, the consumption of electricity generated at the location by means of solar panels and purchased certified green power was included in the calculation in this report. These analyses show that the reported emissions for electricity consumption had been grossly overestimated in preceding years, essentially explaining the significant reduction in the carbon emissions in Scope 2.

Total energy consumption by the offices produced 21% of Robeco's total carbon emissions in 2020.

Scope 3 Other indirect emissions

For the calendar year 2020, the energy flows in Scope 3 were mapped out extensively for the first time. In preceding years, only the energy flow for business travel was included in the calculations. A comparison of Scope 3 emissions with preceding periods is therefore only possible per energy flow. The principal energy flows pertaining to Robeco's Scope 3 emissions consist of the energy flows from business travel, energy consumption associated with working from home, carbon emissions from using drinking water, from paper consumption and the processing of waste flows. In addition, energy consumption by Robeco's data centers is significant. Energy consumption by the data centers and cloud facilities has been recognized and is the subject of study. However, no results can yet be published for this period. Furthermore, the carbon emissions resulting from commuting between home and work belong in Scope 3.

Business travel

Compared to preceding years, the energy consumption and carbon emissions resulting from business travel were diversified according to type of transport (own car/public transport/air travel). In the case of air travel, specific emission factors were used to calculate the emissions according to distance and type of flight – economy/business class/first class. Business travel includes travel by public transport (train), by private car and by air. Business flights are broken down according to distance. Where such a breakdown is not possible, the total kilometers are allocated to the range >3700 km. The emissions from air travel were calculated on the basis of range (<460, >460, <3700, >3700). A breakdown according to type of flight was only possible for flights booked through the central travel organization. Local providers of air travel were not yet able to make such a breakdown for this period. For these flights, a pro rata distribution was made of the number of central travel organization business class/first class flights.

In preceding periods, the carbon emissions were determined on the basis of a single mean normalization factor. Because take-off and landing are responsible for most of the emissions in air travel, diversification according to distance provided better insight plus lower carbon emissions. Combined flights with stopovers were separated into individual journeys. For Robeco, 77.5% of flight kilometers concern long-distance flights covering a distance greater than 3,700 km per single journey. These analyses show that reported emissions had been overestimated in preceding years.

As a result of the Covid-19 pandemic, people took significantly fewer flights in calendar year 2020. In Asia, a decline was already visible from January 2020, and employees hardly traveled by air from mid-March 2020 until the end of the year. This energy flow clearly shows the effects of the Covid-19 pandemic: in 2020, Robeco employees clocked up 2.7 million flight kilometers in all. For comparison: total flight kilometers in 2019 and 2018 were 16.2 and 15.8 million kilometers respectively. Total air traffic in 2020 was 83% lower than in the preceding years. Together with the improvements in data quality, this reduction in flight kilometers explains the significant decline in carbon emissions for air traffic (business travel in Scope 3).

Electricity consumption associated with working from home

The amount of power consumed as a result of working from home due to the Covid-19 pandemic was significant in 2020 and cannot be ignored. It is almost impossible to determine the exact electricity consumption associated with working from home, because this depends on the employees' personal situation. This energy flow has therefore been estimated on the basis of the following premises: additional consumption estimated on the basis of 80% of FTE x 500 kWh (laptop + monitor) from April to December for the international offices. For the Netherlands, the following assumptions were made for Q2: average FTE -/- 50 FTE at the office x 500 kWh, Q3: average FTE -/- 250 FTE at the office x 500 kWh, Q4: average FTE -/- 50 FTE at the office x 500 kWh. Additional consumption due to heating, cooling and lighting is excluded from this calculation. Total electricity consumption as a result of working from home therefore amounted to a total of 281,255 kWh in the 2020 period and was calculated as gray power. This power consumption produced emissions of 156.4 tons of carbon.

Drinking water

The carbon emissions from the production and distribution of drinking water consumed by Robeco were calculated for the first time. The building manager supplied separate data detailing drinking water consumption and toilet water consumption for the head office in the Netherlands. For the other locations, the amount of drinking water was calculated on the basis of mean drinking water consumption per employee, whereby water consumption per employee in the Netherlands (drinking water + toilet water consumption) was used as a basis. In total, 4,081 m3 of water was used in this period. Total carbon emissions for water consumption were 1.2 tons of carbon. In addition to energy consumption and carbon emissions, water consumption is a subject that is increasingly gaining importance worldwide. For this reason, water consumption has been included in Scope 3 in the emissions inventory.

Paper consumption

The carbon emissions were calculated for the production and distribution of paper consumed by Robeco. Detailed information on paper consumption by the head office in the Netherlands was provided by the supplier on the basis of source data. For the other locations, paper consumption was calculated on the basis of mean paper consumption per employee, whereby paper consumption per employee in the Netherlands was used as a basis. In this period, a total of 4,550 kg of paper was used. Total carbon emissions from paper consumption amounted to 5.5 tons of carbon. Global attention is being given to the earth's deforestation. Reducing paper consumption helps combat deforestation. Robeco therefore also includes its paper consumption in the carbon emissions inventory.

Waste flows

The carbon emissions from processing waste flows produced by Robeco were calculated. The building manager provided detailed information plus source data on the waste flows produced by the head office in the Netherlands. Information on the waste flows was also provided for Switzerland, but without source data. For the other locations, the waste flows were calculated on the basis of mean weight of the company waste flow per employee, whereby the weight of the company waste and paper and cardboard waste flows per employee in the Netherlands served as a basis. Based on these sources, Robeco's total waste flow in 2020 was determined at 50.6 tons of waste. Total carbon emissions from processing waste flows are calculated at 36.3 tons of carbon.

Commuting between home and work

In this period, Robeco also started making an inventory of commuting activity. The energy source data for commuter travel for all types of public transport are not yet complete and cannot be reliably reported. Measures to gain more insight into implementing this are ongoing. Employees in the Netherlands with a lease car have all received an NS business card to encourage travel by public transport. First analyses have shown that, despite the effects of the Covid-19 pandemic, Robeco employees at all locations traveled more than 1,212,000 km by train and car in 2020.

Total energy consumption for energy flows within Scope 3 produced 61% of Robeco's total carbon emissions in 2020.

Statement on omitted carbon sources or sinks

All identified carbon sources and sinks are accounted for in the report. Binding of carbon does not take place, so there is no mention of sinks.

Carbon emissions from biomass combustion

Biomass combustion did not take place at Robeco.

Carbon compensation

Robeco will compensate the CO2 emissions in 2020 as a result of its activities by purchasing Carbon Neutral certificates from AFS Energy B.V. so that the CO2 emissions after compensation amount to 0 tons of CO2.

Quantification methods

Quantification of energy consumption to carbon emission values is in each case done by using registered volume units of the fuels used. The conversion from volume to emission values is unequivocal and provides the most reliable comparison.

In situations where volume units of fuel were unavailable, use was made of the most reliable information available. Gas and electricity use was measured using calibrated meters and/or identified on the basis of the energy company's invoices. In light of the legislation in force, this is the most reliable source of information available.

Statement regarding changes in the quantification methods

This report is the third edition within the scope of the ISO 14064 standard and the first report that contains reporting on all the elements of ISO 14064. As a result of improvements in data quality, changes have been made to the quantification methods compared to previous editions of this report. The changes are identified per energy flow in the above descriptions of energy flows per scope. The information on uncertainties and data coverage is also contained in the description of energy flows and can be seen in the Resource Consumption table on page 52 of this report.

Green house values in relation to value chain – ISO 14064-1 verification table

This carbon emissions inventory has been drawn up in accordance with the requirements of the internationally accepted standard ISO 14064-1, 2018, § 9. The reference table below shows the relationship between ISO 14064-1 (general), specifically § 9.3 (GHG report content) and the inventory.

Base year

This report forms the base year of subsequent posts.

Verification table ISO 14064-1

ISO 14064-1 General	**Specifically** *§ 9.3*	**Description**	**Page**
	A	Reporting Organization	5 - 8, 61
	B	Person Responsible	2
	C	Reporting Period	62
5.1	D	Organizational Boundaries	61 - 64
	E	Documentation of reporting boundaries, including criteria determined by the organization to define significant emissions	61 - 64
5.2.2	F	Direct GHG Emissions	53, 61 - 64
Appendix D	G	Combustion of Biomass	64
5.2.2	H	GHG Removals	64
5.2.3	I	Exclusion of sources or sinks	64
5.2.4	J	Indirect GHG Emissions	53, 61 - 64
6.4.1	K	Base Year	65
6.4.1	L	Explanation of changes in Base Year	65
6.2	M	Methodologies	Pge 64
6.2	N	Changes of Methodologies	64
6.2	O	Emission or Removal Factors Used	61
8.3	P	Uncertainties	61 - 64
8.3	Q	Description of results of uncertainty assessment	61 - 64
	S	Statement in accordance with ISO 14064	61
	T	GWP values used in the calculation, as well as their source.	n/a

About this report

Robeco has prepared this report in accordance with the Reporting Standards of the Global Reporting Initiative, option Core. The report is published annually, and the 2020 report covers the activities under the brand Robeco under the responsibility of our ExCo from 1 January 2020 until 31 December 2020.

Assurance report of the independent auditor

Our conclusion
We have reviewed the Sustainability Report of Robeco Holding B.V. (hereafter: Robeco) based in Rotterdam for the year ended 31 December 2020 (hereafter: the Report). A review is aimed at obtaining a limited level of assurance. Based on our procedures performed, nothing has come to our attention that causes us to believe that the Report is not prepared, in all material respects, in accordance with the reporting criteria as described in the 'Reporting criteria' section of our report.

Basis for our opinion
We have performed our review on the Non-Financial Information in accordance with Dutch law, including Dutch Standard 3810N: 'Assurance-opdrachten inzake maatschappelijke verslagen' (Assurance engagements relating to sustainability reports). We are independent of Robeco in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Reporting criteria
The Report needs to be read and understood together with the reporting criteria. Robeco is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting. The reporting criteria used for the preparation of the Report are the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the applied internal reporting criteria as disclosed on page 55 of the Report.

Limitations to the scope of our review
The Report includes comparative figures on the sustainability performance of Robeco over previous years. This information is not in scope for our review, as this is the first year that Robeco receives assurance over its Sustainability Report.

The Report includes prospective information such as ambitions, strategy, plans, expectations and estimates, and risk assessments. Inherently the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the Report.

Responsibilities of the Executive Committee and the Supervisory Board for the Report
The Executive Committee of Robeco is responsible for the preparation of the Report in accordance with the GRI Standards and the applied supplemental reporting criteria as described in the section 'Reporting criteria' of our report, including the identification of stakeholders and the definition of material matters. The Executive Committee is also responsible for such internal control as it determines is necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is, amongst other things, responsible for overseeing Robeco's reporting process.

Our responsibilities for the review of the Report
Our objective is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determining the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in review engagements with a limited level of assurance is therefore substantially less than the assurance obtained in audit engagements.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the Report. The materiality affects the nature, timing and extent of our review procedures and the evaluation of the effect of identified misstatements on our conclusion.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, Regulations on quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements.

Our review engagement included, among others, the following procedures:

- Performing an analysis of the external environment and obtaining an understanding of relevant societal themes and issues, and the characteristics of Robeco.
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the Report. This includes the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by management.
- Obtaining an understanding of the reporting processes, including obtaining a general understanding of internal control relevant to our review.
  - Identifying areas of the Report with a higher risk of misleading or unbalanced information or material misstatements, whether due to fraud or error. Designing and performing furtherassurance procedures aimed at determining the plausibility of information responsive to this risk analysis. These procedures included among others:
  - Interviewing management and relevant staff at corporate level responsible for the sustainability / ESG / responsible investment / active ownership strategy, policy and results
  - Interviewing relevant staff responsible for providing the information for-, carrying out internal control procedures on-, and consolidating the data for the Report.
  - Obtaining assurance information that the information presented in the Report reconciles with underlying records of the company.
  - Reviewing, on a limited test basis, relevant internal and external documentation
  - Performing an analytical review of the data and trends in the information submitted for consolidation at corporate level.
- Evaluating the presentation, structure and content of the Report
- To consider whether the Report as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

We have communicated with the management of Robeco regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

Amstelveen, 22 April 2021
KPMG Accountants N.V.

Danielle Landesz Campen, RA
Partner, Sustainability assurance

Measurement methods

Defintion of HR terms

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

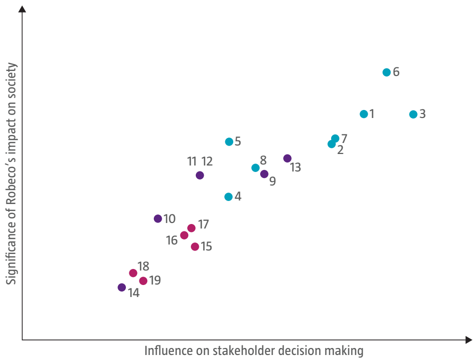
Materiality assessment

The list of material topics for the materiality analysis performed by Robeco in 2020 among stakeholders has been developed in a four-stage process:

1. Review of GRI and SASB disclosures, selecting those with relevance for Robeco.
2. Consultation of internal experts on additional topics to be included.
3. Categorization of disclosures into topics of comparable 'order of magnitude', so they can be ranked by stakeholders.
4. As a fourth step, some disclosures have been grouped together into one material topic to make the list more comprehensive for stakeholders.

We used an online questionnaire to obtain feedback from our stakeholders. To ensure a good response rate, we contacted the invitees personally. The questionnaire contained a description of Robeco, the scope of the assessment and a brief description of the topics. We asked respondents to rank the material topics in order of importance for Robeco as well as for their own interests as stakeholders. Furthermore, we asked for any additional topics to be included, to ensure completeness of the topics covered. From this, most notably the topics of biodiversity and human rights were raised by external stakeholders as additional material topics for which we included examples of our work in the Investments chapter of the report.

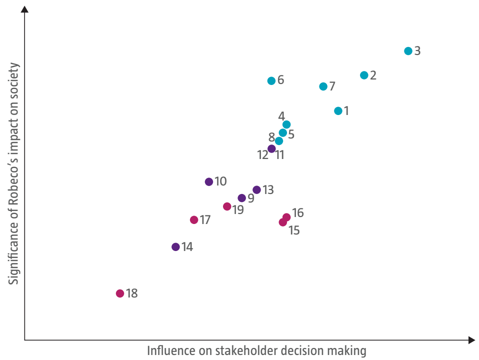
Materiality matrix clients



1. Active ownership
2. Climate change portfolio strategy
3. ESG integration in investment decisions
4. Exclusions from the investment universe
5. Fair advice to customers
6. Investment performance (financial)
7. Long term value creation
8. Sustainability targeted product design
9. Business ethics
10. Cybersecurity and data privacy
11. Remuneration policy for executives and employees
12. Responsibilities and accountability of the board
13. Risk management and compliance
14. Tax policy
15. Diversity, inclusion and non-discrimination
16. Employment conditions
17. Environmental footprint of Robeco's own operations
18. Procurement practices
19. Social commitment

● Investments & Distribution ● Governance ● Business operations

Materiality matrix SI landscape



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● Investments & Distribution ● Governance ● Business operations

Materiality matrix employees

1. Active ownership
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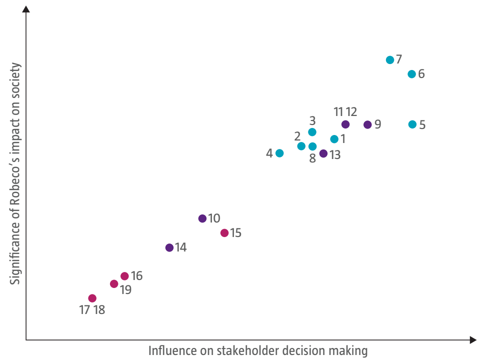
● Investments & Distribution ● Governance ● Business operations

Materiality matrix oversight



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● Investments & Distribution ● Governance ● Business operations

List of material topics and definitions

Investments & distribution

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

Climate change portfolio strategy
Addressing climate change risks and opportunities through investment decisions and contact with investee companies and other institutions.

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

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

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

Investment performance (financial)
The financial performance of the investments managed by Robeco.

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

Sustainability targeted product design
The development and offering of investment products designed specifically to target investments into assets with an associated positive environmental or social performance, including those that contribute to the Sustainable Development Goals.

Governance

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

Cybersecurity and data privacy
Preventative methods used to protect information from being stolen, compromised or attacked, including the implementation of a data privacy policy.

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

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

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

Tax policy
Policy and principles regarding tax contributions.

Business operations

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

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

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

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

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

Glossary

Assets under management (AuM)
The financial assets managed by Robeco's investment teams.

Benchmark
The reference point for a fund's investment performance.

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

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

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

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

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

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

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

Dow Jones Sustainability Indices (DJSI)
The first global indices to track the financial performance of the leading sustainability-driven companies worldwide. They provide asset managers and other stakeholders with reliable and objective benchmarks for managing sustainability portfolios.

Environmental footprint
The impact of a person, company or community on the environment, often expressed as the amount of land required to sustain their use of natural resources, or the total amount of CO_2 produced in the consumption of resources.

Employee engagement
The commitment of an employee to the organization and its goals on a number of professional and personal levels.

Engagement
Robeco's dialogue with companies about ESG issues for the purpose of improving those issues. An engagement process with a company typically takes three years to complete and uses pre-set measurable engagement objectives.

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

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

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

ESG factors
Environmental, social and governance factors that are used as a set of standards for a company's operations in order to screen investments. Environmental factors look at how a company performs as a steward of the natural environment. Social factors examine how a company manages relationships with its employees, suppliers, customers and the communities where it operates. Governance factors deal with a company's leadership, executive pay, internal controls, audits and shareholder rights.

Exchange-traded funds (ETF)
Marketable securities that track the course of securities or an index, and are traded like ordinary stocks on a stock exchange.

Factor investing
A strategy of selecting securities based on

attributes that are associated with higher returns, such as low volatility, value or momentum.

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

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

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

Global Reporting Initiative (GRI)
An independent organization that develops standards for sustainability reporting.

Government bonds
Debt securities issued by a government to finance its spending.

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

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

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

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

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

License to operate
A formal license to operate grants permission to undertake trade or carry out a business activity, subject to the regulation or supervision of the licensing authority. An social license to operate entails public acceptance of the company's presence and business activities.

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

Quant/quantitative investing
An investment approach that selects securities using advanced quantitative analysis.

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

Scope 1/2/3 emissions
Greenhouse gas emissions in relation to the value chain of a company:
Scope 1 – direct emissions caused by the company while making the product
Scope 2 – direct emissions the generation of the electricity or heat needed to make the product;
Scope 3 – indirect emissions, either upstream from the supply of goods and services, or downstream from the usage of sold products or investments. These scopes were developed by the Greenhouse Gas Protocol.

Shareholder
An owner of the stock of a company.

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

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

Sustainability
The ability to sustain an activity indefinitely. This can be expressed in environmental, social or economic terms. Sustainable (or sustainability) investing An investment discipline that considers how ESG criteria can help generate long-term competitive financial returns and a positive societal impact.

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

Sustainable Development Goals
A set of 17 goals developed by the United Nations

to end poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda, to be achieved by 2030.

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

Value engagement
Robeco's thematic approach to active dialogue. New themes are selected each year. Value engagement themes typically apply for three years and cover between 8 and 15 companies each.

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

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

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

Our leadership

ExCo

Gilbert Van Hassel (M/1957)

- CEO and Chairman since 2016.
- Over 30 years' experience in the financial services industry, mainly in asset and wealth management, with broad experience in Europe, Asia and the US. Until 2014, he was Global CEO ING Investment Management and member of the board for Insurance and Asset Management at ING. Before joining ING in 2007, he worked for JP Morgan, where he held various executive positions in Europe, Asia and the US.
- Bachelor's degree in Applied Economics from the University of Antwerp St Ignatius (Belgium), MBA with a major in International Finance from the Catholic University of Louvain (Belgium), Master of Science in Finance from Purdue University (US).
- Member of the board of the Dutch Fund and Asset Management Association, member of the board of directors of Harbor Capital Advisors.

Karin van Baardwijk (F/1977)

- Member since 2015 and Chief Operating Officer since 2016; Deputy CEO since 2020. Responsible for Information Technology and Operations. After joining Robeco in 2006, she headed Operational Risk Management from 2009, followed by Global Information Services from 2014.
- She started her career in 2004 at Atos Consulting.
- Graduated from Utrecht University (the Netherlands), Master's degree in Business Economics, Master's degree in Corporate Law.
- Member of the Supervisory Board at EUR Holding (Erasmus University Rotterdam).

Lia Belilos-Wessels (F/1962)

- Chief Human Resources Officer and member since 2019.
- Before joining Robeco she was Chief People Officer at Arcadis and Chief Human Resources Officer at KPN. She started her career at Shell, where she held several human resources positions including Human Resources Director for Shell in Asia, and Vice President Human Resources at Royal Dutch Shell.
- Master's degree in Sociology and Social History from Erasmus University Rotterdam, Master's degree in European Studies from the University of Reading (UK).
- Member of the Supervisory Board of Vanderlande and chair of the Pre-selection committee Dutch Civil Service (Algemene Bestuursdienst).

Mark den Hollander (M/1969)

- Chief Financial and Risk Officer and member since 2019.
- Over 25 years of experience in the asset management industry: he held several positions (most recently Chief Financial and Risk Officer) at NN Investment Partners (2009-2018) and ABN AMRO Asset Management (1993-2009) where he held various positions in portfolio management, equity derivatives and multi-asset solutions, and was Chief Investment Officer of Structured Investment Solutions.
- Master's degree in Econometrics from Erasmus University Rotterdam.

Mark van der Kroft (M/1964)

- Chief Investment Officer Fundamental and Quant Equity, Co-Head of Quant Equity and Head of Trends and Thematic Investing and member since 1 September 2020.
- Rejoined Robeco in June 2018 from NN Investment Partners, which he joined in March 2017. Started at Robeco in 2000, appointed Chief Investment Officer Equities in 2004, joined the Sales & Account Management team for large Dutch Institutional clients in 2010. Prior to joining Robeco, Mark worked for ABN AMRO.
- Master's in Monetary Economics from Erasmus University Rotterdam.

Martin Nijkamp (M/1959)

- Head of Strategic Product and Business Development and member since 2017.
- Over 30 years' experience in the asset management industry: member of NN Investment Partners' Management Team responsible for business strategy, integrated client solutions and product management and development (2008-2017). Before that, he was Managing Director Institutional Business Development, covering the EMEA-region. Prior to joining NNIP, he worked at ING Bank as senior economist and fixed income portfolio manager.
- Master's degree in Economics from the University of Groningen (the Netherlands).

Christoph von Reiche (M/1969)

- Head of Global Distribution and Marketing and member since 2017.
- 25 years' experience in the financial services industry: before joining Robeco he was Head of European Institutional Business at JP Morgan Asset Management, and worked in various positions at Goldman Sachs, including Country Head of Germany for Goldman Sachs Asset Management. He started his career as analyst at Goldman Sachs Investment Banking.
- Master's degree in Foreign Service, Bachelor's degree in Business Administration from Georgetown University (US).

Victor Verberk (M/1974)
- Deputy Head of Investments and an Executive Committee member since 2017.
- Over 20 years' experience in the financial services industry: he started his career at AXA Investment Managers in 1997. Until 2007, he was a partner at Holland Capital Management. Before that, he was Head of Fixed Income at MN Services. He has managed global government bond and credit portfolios and has been responsible for building fixed income teams, organizing research and drafting investment processes.
- Master's degree in Financial Economics from Erasmus University Rotterdam and postgraduate VBA training at Vrije Universiteit Amsterdam (both in the Netherlands).

Robeco Supervisory Board

Maarten Slendebroek (M/1961)
- Chair since August 2020.
- Started his career in 1987 at Enskilda Securities, followed by BlackRock and Jupiter Fund Management where he was CEO from 2014 until 2019.
- Chairman of Mintus and senior advisor of YourArq, both fintech startups in London.

Sonja Barendregt-Roojers (F/1957)
- Member since 2018, vice-chair since March 2020, and Chairman of the Audit and Remuneration Committee.
- Began her career in 1975 at PwC and its predecessors, where she was appointed senior partner in 1998, focusing on financial services.
- Supervisory Board member and Chairman of the Audit Committee at De Volksbank, member of the Supervisory Board of ASR Nederland, and Examiner of Financial Auditing at the Erasmus School of Accounting and Assurance.

Mark Talbot (M/1968)
- Member since 2019 and Chairman of the Nomination & Remuneration Committee.
- Over 25 years' experience in the asset management industry: currently Managing Director Asia Pacific at Fidelity International. Before joining Fidelity, he worked for Barclays Global Investors and State Street Global Advisors.

Radboud Vlaar (M/1977)
- Member since 2018.
- Currently founding partner at Finch Capital; before that he was a partner at McKinsey & Co., where he led the Benelux Asset Management Practice, co-led the Global Digital Financial Service efforts, and was a member of the European Banking Leadership Group. He started his career at TPG.
- Supervisory Board member at companies representing the fund's interest, including Supply Finance, Trussle, Goodlord, DIG, Safened, Fourthline, Brickblock, and at LinkBundle.

Stan Koyanagi (M/1960)
- Member since August 2020.
- Member of the Board of Directors, Managing Executive Officer and Global General Counsel of ORIX Corporation, which he joined in 2013. In addition, as a representative of ORIX Corporation, Stan serves on the Management Board of ORIX Corporation Europe and the Board of Directors of ORIX Corporation USA, and he also chairs the Board of Directors of Boston Partners Global Investors..

GRI Table

Indicator	Description	Reference
102-1	Name of the organization	First page, About this report
102-2	Activities, brands, products and services	Who we are, Our brands and products
102-3	Location of headquarters	Our offices
102-4	Location of operations	Our offices
102-5	Ownership and legal form	Who we are, Our ownership and legal status
102-6	Markets served	Who we are, Our offices
102-7	Scale of the organization	Our financial results
102-8	Information on employees and other workers	Our people
102-9	Supply chain	Value creation model
102-10	Significant changes to the organization and its supply chain	Our strategy
102-11	Precautionary principle or approach	Who we are
102-12	External initiatives	Association memberships and participation in external initiatives
102-13	Membership of associations	Association memberships and participation in external initiatives
102-14	Statement from senior decision maker	Message from our CEO
102-16	Values, principles, standards and norms of behavior	What we believe in, How we work
102-17	Mechanisms for advice and concerns about ethics	Business ethics
102-18	Governance structure	Our ownership and legal status
102-35	Remuneration policies	Remuneration
102-40	List of stakeholder groups	Materiality analysis, Appendices
102-41	Collective bargaining agreements	Remuneration
102-42	Identifying and selecting stakeholders	Materiality assessment
102-43	Approach to stakeholder engagement	Materiality assessment
102-44	Key topics and concerns raised	Materiality analysis, Appendices
102-45	Entities included in the consolidated financial statements	Our financial results
102-46	Defining report content and topic boundaries	About this report
102-47	List of material topics	List of material topics and definitions

Indicator	Description	Reference
102-48	Restatements of information	About this report
102-49	Changes in reporting	About this report
102-50	Reporting period	About this report
102-51	Date of the most recent report	Contact
102-52	Reporting cycle	About this report
102-53	Contact point for questions regarding the report	Contact
102-54	Claims of reporting in accordance with GRI standards	About this report
102-55	GRI content index	GRI table
102-56	External assurance	About this report
201-1	Direct economic value generated and distributed	Our financial results (and RIAM Annual Report)
201-2	Financial implications and other risks and opportunities due to climate change (partial disclosure)	Climate-related financial disclosure
205-1	Operations assessed for risks related to corruption	Business ethics
205-3	Confirmed incidents of corruption and actions taken	Business ethics
305-1	Direct (Scope 1) GHG emissions	Tables for resource consumption and greenhouse gas emissions
305-2	Energy indirect (Scope 2) GHG emissions	Tables for resource consumption and greenhouse gas emissions
305-3	Other indirect (Scope 3) GHG emissions	Tables for resource consumption and greenhouse gas emissions
404-2	Programs for upgrading employee skills and transition assistance programs	Learning and development
404-3	Percentage of employees receiving regular performance and career development reviews	Our people
405-1	Diversity of governance bodies and employees	Our people
405-2	Ratio of basic salary and remuneration of women to men (per function level)	Remuneration
406-1	Incidents of discrimination and corrective actions taken	Diversity and inclusion
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	How we integrate sustainability in procurement and limit our environmental footprint
414-1	New suppliers that were screened using social criteria	How we integrate sustainability in procurement and limit our environmental footprint

Association memberships and participation in external initiatives

- 30% Club
- Access to Medicine Index
- Advance Gender Equality in Business
- Asian Corporate Governance Association (ACGA)
- Brazilian Corporate Governance Association (AMEC)
- Business Benchmark on Farm Animal Welfare
- Cambridge Institute for Sustainable Leadership
- Carbon Disclosure Project (CDP)
- City to Sea Partnership
- Climate Action 100+
- DNB Sustainable Finance Initiative
- Dutch Association of Investors for Sustainable Development (VBDO)
- Dutch Climate Agreement
- Dutch Fund and Asset Management Association (DUFAS)
- EDGE Certified Foundation
- Erasmus Platform for Sustainable Value Creation
- Eumedion Dutch corporate governance platform
- European Fund Asset Management Association (EFAMA)
- Farm Animal Investment Risk & Return (FAIRR)
- Finance for Biodiversity Pledge
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Global Steering Group on Impact Investing (GSG)
- GreenBuzz Zurich
- Impact Management Project
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Alliance for Human Rights (IAHR)
- Investor Mining and Tailings Safety Initiative
- Klimastiftung Schweiz
- Net-Zero Asset Managers Initiative
- Partnership Biodiversity Accounting Financials (BPAF)
- Plastic Solutions Investor Alliance
- Platform Living Wage Financials (PLWF)
- Portfolio Carbon Accounting Financials (PCAF)
- Powering Past Coal Alliance (PPCA)
- Principles for Responsible Investment (PRI)
- Roundtable on Sustainable Palm Oil (RSPO)
- Sustainable Finance Geneva (SFG)
- Swiss Sustainable Finance (SSF)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Transition Pathway Initiative (TPI)
- United Nations Global Compact (UNGC)
- World Benchmarking Alliance (WBA)
- ZSL-SPOTT Palm Oil benchmark

Global Compact Communication on Progress (COP)

Principle and Reference

Statement of continuing support
Message from our CEO

Principle 1
Businesses should support and respect the protection of internationally proclaimed human rights
Contributing to the SDGs, Developing sustainability solutions for clients, Active ownership, How we integrate sustainability in procurement and limit our environmental footprint, Association memberships and participation in external initiatives

Principle 2
Businesses should make sure that they are not complicit in human rights abuses
Contributing to the SDGs, Developing sustainability solutions for clients, Active ownership, How we integrate sustainability in procurement and limit our environmental footprint

Principle 3
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
Active ownership, Remuneration

Principle 4
Businesses should uphold the elimination of all forms of forced and compulsory labor
Contributing to the SDGs, Developing sustainability solutions for clients, Active ownership, How we integrate sustainability in procurement and limit our environmental footprint

Principle 5
Businesses should uphold the effective abolition of child labor
Contributing to the SDGs, Developing sustainability solutions for clients, Active ownership, How we integrate sustainability in procurement and limit our environmental footprint

Principle 6
Businesses should uphold the elimination of discrimination in respect of employment and occupation
Contributing to the SDGs, Developing sustainability solutions for clients, Active ownership, Diversity and inclusion

Principle 7
Businesses should support a precautionary approach to environmental challenges
Contributing to the SDGs, Developing sustainability solutions for clients, Active ownership, How we integrate sustainability in procurement and limit our environmental footprint

Principle 8
Businesses should undertake initiatives to promote greater environmental responsibility
Contributing to the SDGs, Developing sustainability solutions for clients, Active ownership, Association memberships and participation in external initiatives

Principle 9
Businesses should encourage the development and diffusion of environmentally friendly technologies
Contributing to the SDGs, Developing sustainability solutions for clients, Active ownership

Principle 10
Businesses should work against corruption in all its forms, including extortion and bribery
Active ownership, Business ethics

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