ROBECO
The Investment Engineers

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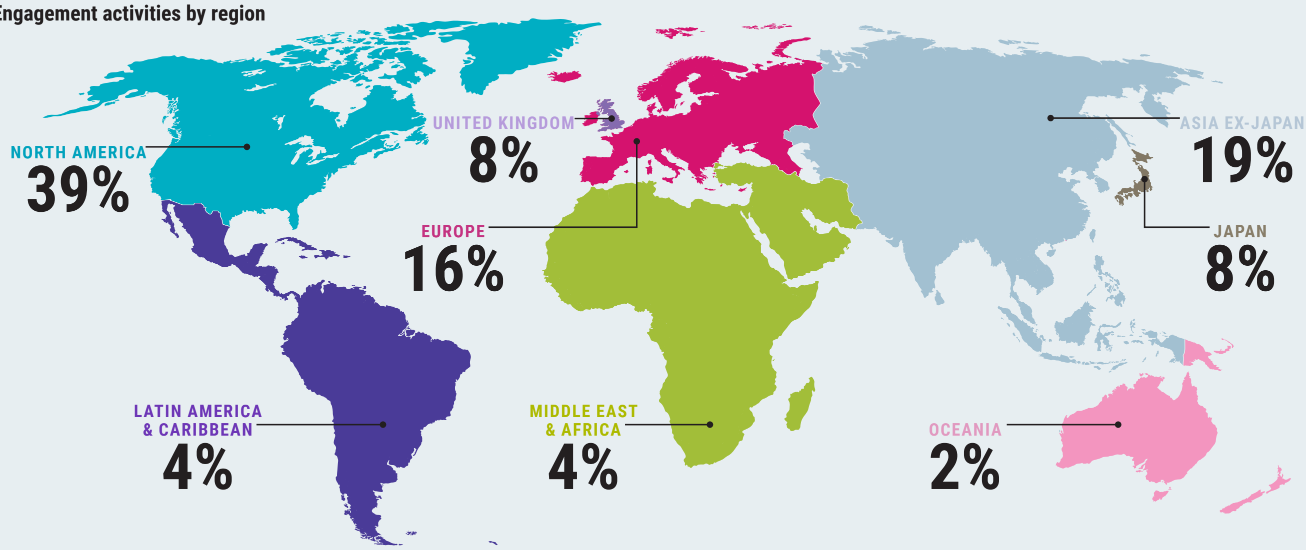
# Active ownership report

Sustainable Investing Expertise by ROBECOSAM

# Q2|23 figures engagement

**Engagement activities by region**




**Number of engagement cases by topic***

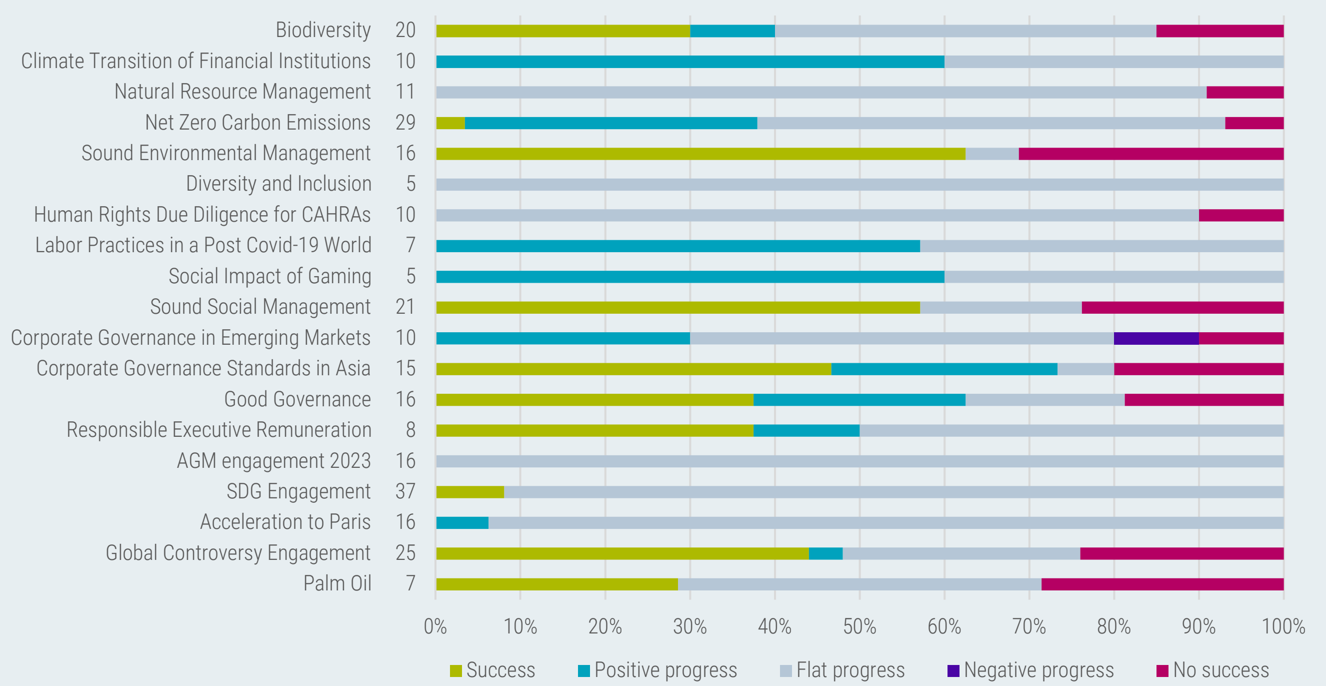
| | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|
| Environment | 48 | 61 | | |
| Social | 17 | 27 | | |
| Corporate Governance | 20 | 19 | | |
| Voting Related | 9 | 25 | | |
| SDGs | 24 | 2 | | |
| Global Controversy | 20 | 19 | | |
| **Total** | **138** | **153** | | |

**Number of engagement activities per contact type**

| | Q1 | Q2 | Q3 | Q4 | YTD |
|---|---|---|---|---|---|
| Meeting | 4 | 9 | | | 13 |
| Conference call | 93 | 96 | | | 189 |
| Written correspondence | 129 | 79 | | | 208 |
| Shareholder resolution | 0 | 0 | | | 0 |
| Analysis | 16 | 49 | | | 65 |
| Other | 1 | 6 | | | 7 |
| **Total** | **243** | **239** | | | **482** |

**Progress per theme**

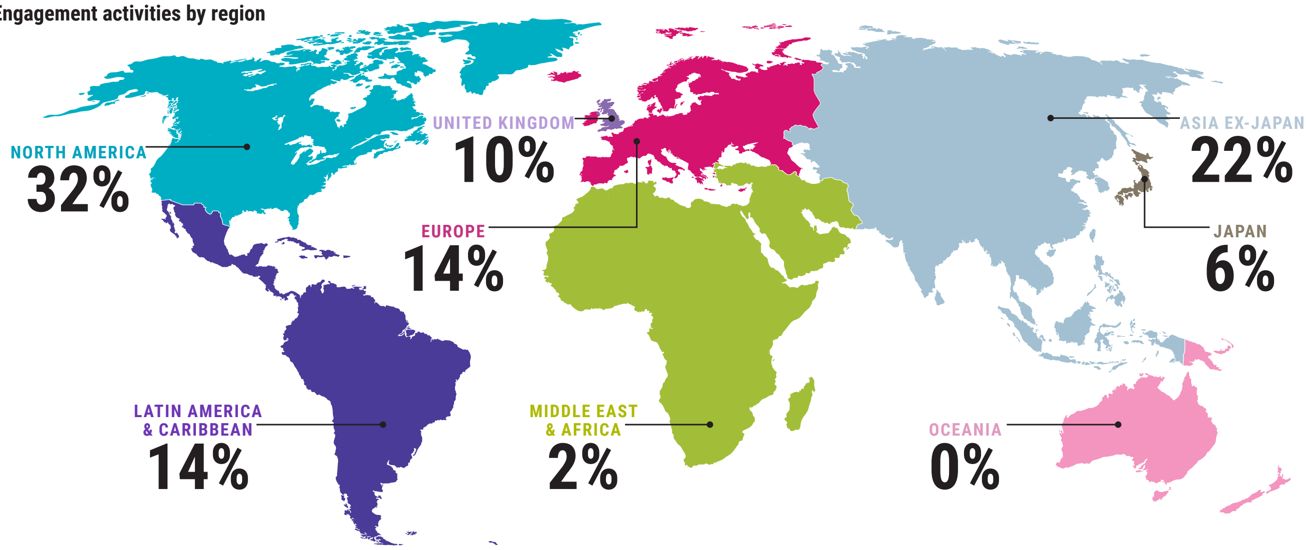
Themes and number of companies under engagement




* For more information on Robeco's approach to engagement please refer to the appendix at the end of the report.

# Q2|23 figures voting

**Engagement activities by region**




**Voting overview**

| | Q1 | Q2 | Q3 | Q4 | YTD |
|---|---|---|---|---|---|
| Total number of meetings voted | 171 | 793 | | | 964 |
| Total number of agenda items voted | 1,868 | 11,460 | | | 13,328 |
| % Meetings with at least one vote against management | 64% | 71% | | | 70% |

**Progress per theme**

# Contents


Biodiversity
Closing the first cases opened within our biodiversity engagement theme back in 2020, engagement specialist Laura Bosch reflects on the progress achieved so far. Focused on eliminating deforestation across agricultural supply chains and restoring destroyed ecosystems, key successes include the accelerating and setting of 'no deforestation' targets to as early as 2025 and the establishment of first socially and environmentally inclusive agricultural development models. 6

Human Rights Due Diligence for Conflict-Affected and High-Risk Areas
As conflicts in Myanmar, Xinjiang (China), Palestine and more recently Ukraine continue, our engagement on human rights due diligence in respective regions is gaining traction. Specialist Ghislaine Nadaud shares first insights into companies' responses to the growing international pressure on human rights, including the strengthening of due diligence and grievance systems. 9


Good Governance
Concluding the 2023 annual general meeting (AGM) season, engagement specialist Michiel van Esch highlights the growing participation of different civil society stakeholders, from NGOs to employees, at corporate shareholder meetings. As companies must search for ways to accommodate both shareholder and stakeholder voices, changes in the AGM structure are necessary. 12

Proxy Voting – Market Insight
Reflecting on the turbulent first six months of the year, engagement specialist Diana Trif takes a close look at the 2023 banking crisis. The article identifies key corporate governance concerns, and highlights investors' unique ability to avoid such incidents in the future by making use of their proxy voting rights. 15

# Introduction

We are now halfway through 2023 and can take stock of what has happened thus far, from concluding our deforestation focused engagements to broadening our human rights due diligence engagements in light of the ongoing Russia-Ukraine war.

After three years, we are closing the first cases opened within our biodiversity engagement theme. Begun in 2020, the theme focused on one of the key biodiversity loss drivers: deforestation. We asked companies involved in in key deforestation-risk commodities to assess their biodiversity footprint, set and implement clear 'no native vegetation conversion' targets (avoiding clearing of biodiversity-rich land), and provide evidence of their progress. Key successes with this theme include among others the establishing and accelerating of 'no deforestation and conversion' targets to as early as 2025. Outcomes have been supported by the growth in independently certified or verified product volumes.

While progress is undeniable, society still has a long way to go if we wish to reverse the biodiversity crisis, which is often seen as the flipside of the climate crisis. This is a road which must not only include the large corporations, but also the smallholder farmers and local communities most affected by compliance pressures. While we have seen the roll-out of several support structures for smallholder farmers, such as technical support or biodiversity valuation systems, concerns on the scale and accessibility of such systems remain.

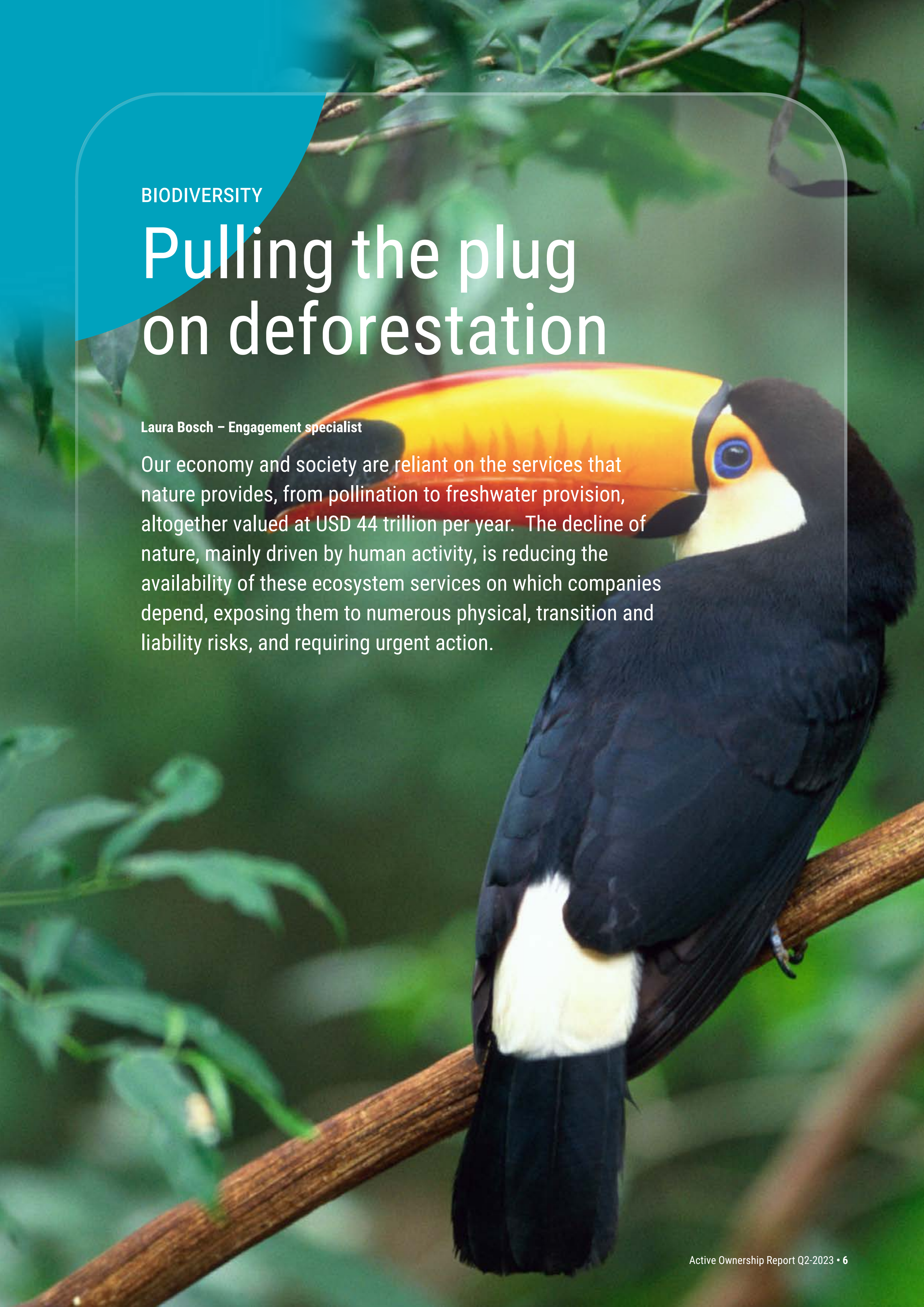
Meanwhile, the Ukraine war entered its second year. It highlights the importance of having adequate human rights due diligence and management systems in place for corporates to mitigate operational, legal and reputational risks. This is echoed in our 'Human rights due diligence for conflict-affected and high-risk areas' engagement theme, which was expanded to include Ukraine. Now that we are midway through the three-year engagement, we have seen the first companies hire dedicated human rights specialists and develop effective due diligence processes. While the results of these efforts are yet to be seen, we remain optimistic.

It's not just conflict zones that can create problems for investors. Poor corporate governance remains a huge issue, as seen in the collapse of three US banks, and the merger forced upon former Swiss titan Credit Suisse to avoid yet another financial crisis. We reflect on how this spring's events call for reform that is based on improving corporate governance rather than simply relying on regulation.

Finally, having concluded this year's AGM season, we reflect on the growing participation of NGOs, employees and local communities to express concerns about societal issues, interactions which in extreme cases have even turned violent. However, we believe that this trend reflects a gap in effective communication and engagement channels between corporates and respective stakeholders, who are seeking out ways to raise their concerns. Going forward, this might well lead to a change in the structure of the AGM as we know it.

As we move into the second half of 2023, we continue our work on biodiversity through the Nature Action 100 collaboration and will start to explore the connections between the climate transition and social concerns through our work on Just Transition. Furthermore, we will strengthen our efforts on human rights, focusing on modern slavery, as well as take a new look on responsible taxation. Throughout all this, we are excited to continue working with our clients, who are essential in shaping our engagement work and agenda.

**Carola van Lamoen**
Head of Sustainable Investing



BIODIVERSITY

# Pulling the plug on deforestation

**Laura Bosch – Engagement specialist**

Our economy and society are reliant on the services that nature provides, from pollination to freshwater provision, altogether valued at USD 44 trillion per year.  The decline of nature, mainly driven by human activity, is reducing the availability of these ecosystem services on which companies depend, exposing them to numerous physical, transition and liability risks, and requiring urgent action.

In 2020, we initiated an engagement program focused on one of the key biodiversity loss drivers – deforestation. It focused on some of the highest-risk soft commodities, namely cocoa, pulp and paper, natural rubber, beef and soy. For the past three years we have engaged with companies sourcing these raw materials as key components in their production processes, covering sectors such as materials and consumer staples.

As our engagement efforts come to an end, we reflect on the main achievements and challenges we have identified across the several sectors covered in our work. We expected companies to set credible zero deforestation and conversion commitments, conduct robust biodiversity impact assessments, and address the social challenges in their supply chains. These social issues often amplify power imbalances and further incentivize deforestation.

### Setting credible zero deforestation commitments

In line with the Global Biodiversity Framework agreed at COP 15, we expect companies to actively work towards reverting nature loss no later than 2030. We encouraged companies to set time-bound commitments to end deforestation and native vegetation conversion in their supply chains no later than 2025. In the last three years, we have seen companies set and accelerate their zero deforestation targets to as early as 2025 and strengthen their monitoring systems to map how their suppliers are exposed to deforestation risks. However, challenges remain around the scope of some of these policies, along with the depth and credibility of monitoring efforts.

Many companies sourcing soy and beef still struggle to include legal deforestation and native vegetation under their commitments. Pulp and paper companies tend to be vertically integrated and source smaller volumes from external suppliers – hence they have better monitoring systems in place. They are also able to rely on well established certification schemes such as the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC).

For companies sourcing cocoa and rubber, the challenge around traceability remains an uphill battle. These soft commodities rely heavily on smallholder farmers and have several intermediaries involved in the value chain, making the overall visibility across the supply chain more challenging.

### Biodiversity impact assessments

One way for companies to manage their negative impact on land use change is through ecosystem conservation and restoration efforts. In our engagement, we asked companies to implement adequate land restoration efforts and improve their disclosures on sourcing locations in high carbon stock areas.

Most companies have restoration and conservation projects in place. However, these tend to be implemented on an ad-hoc basis without being strategically set to reverse or mitigate the negative impact of their sourcing strategies. While few have committed sizable investments on this front, we have seen companies issue their first restoration or conservation-linked green bonds or make the initial payments for ecosystem service pilot schemes.

Assessing the impact of the companies' sourcing strategies and their own operations on biodiversity is crucial to being able to factor these risks into their decision-making process. In our engagements, we have asked companies to conduct such assessments using the best available science, while prioritizing their efforts based on their internal risk assessments.

Few companies are checking their reliance on different fauna and flora species or are trying to calculate their impact on nature with tools such as the Integrated Biodiversity Assessment Tool (IBAT). We hope the integration of the new Taskforce for Nature-related Financial Disclosures (TNFD) framework will help in streamlining a holistic approach towards how companies carry out their biodiversity impact assessments.

CASE STUDY

MONDELEZ INTERNATIONAL

Mondelez is one of the world's largest US snacks companies. With many of their products based on chocolate, the company is a major importer of cocoa, one of the five key forest-risk commodities.

We have been in an ongoing dialogue with the company, pushing them in particular on integrating its forest restoration efforts within its operating model.

In 2023, under the company's new sustainable cocoa sourcing models, Mondelez has for the first time included clear off- and on-farm restoration targets. While affected areas continue to be insignificant compared to the company's sourcing footprint, we see this as a first step to a more ambitious biodiversity approach.

### Disclosure and social impacts

The livelihood and well-being of local communities has shown to be directly linked to deforestation rates. Recognizing that farmers often cannot earn a living income by selling their produce, some companies have integrated a premium into the commodity price as a way to fill this gap. This aims to drive systemic change by improving living conditions and meeting the basic needs of farmers. However, pressure from buyers to keep commodity prices at competitive levels still remains, hindering the applicability of this instrument.

Transparency is key to being able to understand the depth and breath of the scope of corporate commitments, and the implementation of these. We recognize that some companies are starting to disclose their deforestation-free volumes as well as Scope 3 emissions linked to land use change – something that was not publicly disclosed few years ago.

Adoption of certification schemes has also increased, especially within the pulp and paper industry, while the natural rubber and soy sectors still lack credible certification standards. Key disclosure challenges remain regarding the divergent definitions used by companies to report their deforestation efforts, a lack of independent verification for some of their efforts, and an overall lack of disclosure of the hectares linked to land use change.

> *“Pulp and paper companies tend to be vertically integrated and source smaller volumes from external suppliers, hence they have better monitoring systems in place, while for companies sourcing cocoa and rubber, the challenge around traceability remains an uphill battle.*
>
> Laura Bosch

### Increased momentum and ongoing engagement efforts

Increased momentum on the topic of mitigating biodiversity loss in the next decade is undeniable. Both companies and investors are directly exposed to soft and hard law requiring more transparency on how nature impacts and dependencies are accounted for across their organizations. Under the EU’s Sustainable Finance Disclosure Regulation (SFDR), European investors need to assess the principal adverse impacts of their investments on biodiversity and other sustainability-related issues.
Companies exposed to deforestation risks are increasingly facing regulatory requirements that aim to bring more transparency on how these risks are managed and mitigated. For instance, the EU Deforestation Regulation (EUDR) requires companies importing products linked to high-risk soft commodities to clearly prove that these are not linked to deforestation.

Hence, our corporate engagement efforts around minimizing biodiversity loss will continue, despite the closure of the engagement dialogues related to deforestation. In the coming months, we will be involved in the launch of Nature Action 100, targeting our engagement efforts on those companies and sectors with the highest negative impact on nature loss, beyond deforestation. Moreover, we will continue our sovereign engagement work focused on supporting government agencies in their efforts to reduce deforestation rates in Brazil and Indonesia. As biodiversity is inextricably linked to global warming, we cannot afford another decade of nature loss if we are serious about tackling climate change.

CASE STUDY

SUZANO
Suzano is Brazil’s largest pulp and paper producer, souring most of wood from its own plantations.

Under the Finance Sector Deforestation Action, we led the collaborative engagement with the company, including a field-visit to their plantations in Brazil.

Suzano solely plants on previously degraded pastures and undergoes high conservation value assessments for each plantation, leading to on average 30-40% of each plot being protected. To enhance the biodiversity value of these plots, the company is actively connecting conservation areas, both through biodiversity-enhanced plantation models and restoration efforts. The company aims to connect half a million of hectares of native forest and tracks the number of monkeys on their land as a proxy for forest connectivity.

HUMAN RIGHTS DUE DILIGENCE
FOR CONFLICT-AFFECTED AND HIGH-RISK AREAS

# Where one cannot look away

**Ghislaine Nadaud – Engagement specialist**

In an interconnected world, corporations often operate across a range of markets, including in regions affected by conflict or other high human rights risk. While these areas present opportunities for economic growth and social development, they also pose significant challenges when it comes to respecting human rights.

The responsibilities in conflict-affected and high-risk areas (CAHRA) are not just a matter of responsibility of the public sector. Companies also play a significant role in determining the well-being of individuals. Under the UN Guiding Principles on Business and Human Rights (UNGPs, 'soft law') corporates – including investors – have a shared responsibility to respect human rights. In addition, we see a changing regulatory landscape ('hard law') on both the national and regional level, with increased requirements for companies on human rights due diligence and disclosures.

### The engagements

Investors recognize that adverse human rights impacts pose regulatory, legal, financial and reputational risks to business. When these are not managed or mitigated, they could negatively impact the value of a company. To address this, we launched a dedicated human rights engagement program in the fourth quarter of 2021.

The correlation between conflict-affected areas and human rights violations necessitates that companies conduct enhanced and robust due diligence to understand and mitigate the potential harm their operations may cause. The engagement also focuses on reporting, remediation and performance measurement.

The engagement objectives are:

1. Enhanced human rights due diligence: companies should develop or increase their mechanisms to help mitigate the risks of their presence in conflict-affected areas.
2. Reporting: companies should improve their reporting mechanism to provide transparent information about their human rights policies and practices.
3. Remediation: companies should establish effective grievance mechanisms that allow affected individuals or communities to raise concerns and seek remedies.
4. Performance measurement: companies should measure and evaluate their performance in terms of human rights due diligence to identify areas for improvement.

### Taking stock

As our three-year engagement program has reached its midway point, it is important to take stock of the progress made, and the challenges that companies operating from CAHRA continue to face.

At the start of the engagement theme, we selected 10 companies from eight different sectors with significant exposure to CAHRA, with a focus on the Occupied Palestinian Territories (OPT), Myanmar and China/Xinjiang. Each company operates in different industries and areas but shares the opportunity to improve their human rights risk due diligence and management in these challenging contexts.

### Progress and challenges

The progress of the engagement has varied among the companies. Overall, they have been open to our engagement, with only one company failing to respond despite multiple attempts to establish contact.

We have seen positive progress with two companies in developing management processes allowing them to exercise effective human rights due diligence in line with the UNGPs. One company hired two dedicated human rights experts to further implement these commitments. Other cases showed a slower evolution in terms of due diligence but improvements in audit and reporting mechanisms, including one for operational level grievance mechanisms.

It remains challenging for most companies to close the gap between their commitments and implementation, as demonstrated by some cases where positive commitments did not translate into tangible processes. It is crucial for companies to bridge this gap between their commitments and actual results. In our engagement going forward, we will increase our focus on companies' implementation efforts.

### Regional trends

The engagement also revealed regional trends, with better progress observed in the OPT compared to Myanmar and Xinjiang. Since the start of the engagement, two companies decided to stop their operations: one in the OPT and one in Myanmar. Going forward, our engagement will focus on the human rights implications of withdrawing versus staying, as this has to be carefully weighted to ensure a responsible exit.

### Added focus on the Russia-Ukraine war

The past two years have been influenced by ongoing and emerging conflicts and other geopolitical developments. In light of the Russian-Ukraine war and the increased attention to Xinjiang, another four companies have been included in the engagement program.

In addition to our company engagement, we will continue to consult relevant stakeholders such as civil society groups,

> *"We see a changing regulatory landscape ('hard law') on both the national and regional level, with increased requirements for companies on human rights due diligence and disclosures.*
>
> Ghislaine Nadaud

international human rights organizations and experts. Since obtaining information regarding the situation on the ground in CAHRA is extra challenging, we note the importance of this consultation as being necessary to achieve a positive outcome of our program.

## Conclusion

Operating in CAHRA presents unique challenges to companies, which is why human rights due diligence plays a crucial role in helping them navigate the local complexities.

By developing robust policies and procedures, conducting comprehensive risk assessments, engaging stakeholders and establishing effective grievance mechanisms, companies can mitigate potential human rights risks. They can then contribute to positive change in these challenging environments while safeguarding their own reputation and long-term sustainability.

Given the growing number of global conflicts, it has become evident that the engagement theme has gained even greater significance. Consequently, we will enhance our engagement with the companies to demonstrate tangible advancements towards our objectives.

### CASE STUDY

#### BOOKING HOLDINGS

Booking Holdings, the world's largest online travel agency by sales, lists accommodations in conflict areas such as the Occupied Palestinian Territories. Several controversies were highlighted by civil society organizations amongst others, Booking Holdings' lack of a human rights policy and disclosures.

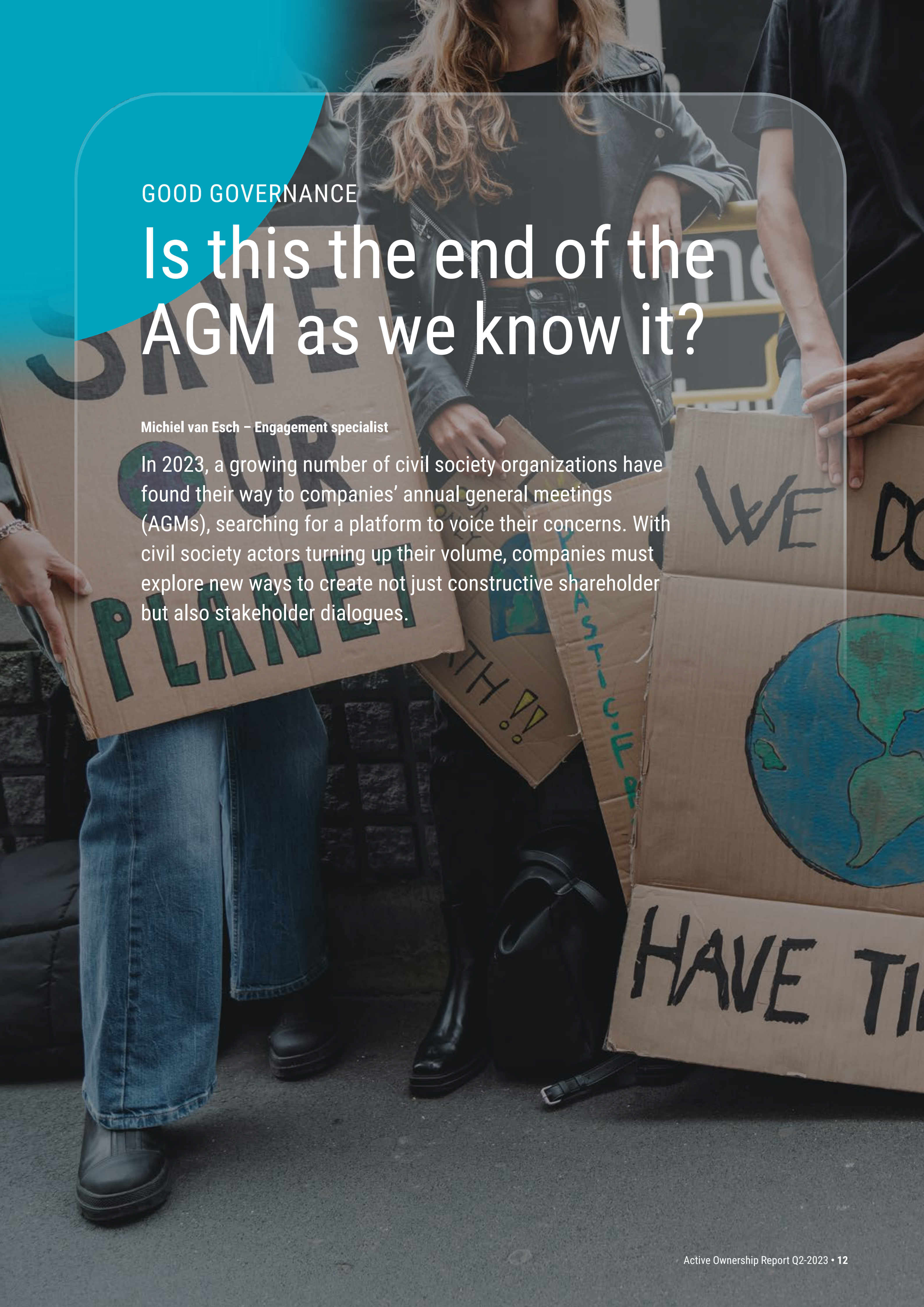
We have been in an open dialogue with Booking since the start of our engagement. Over the last year, the company published a human rights policy aligning with international standards. The policy explicitly includes heightened due diligence requirements on listings located in conflict areas. The company also hired a human rights officer who will be responsible for integrating these commitments and increased its disclosures on its approach to human rights and CAHRA. Going forward, we will focus on Booking Holdings' implementation of its human rights policy.

GOOD GOVERNANCE

# Is this the end of the AGM as we know it?

**Michiel van Esch – Engagement specialist**

In 2023, a growing number of civil society organizations have found their way to companies’ annual general meetings (AGMs), searching for a platform to voice their concerns. With civil society actors turning up their volume, companies must explore new ways to create not just constructive shareholder but also stakeholder dialogues.



The AGM season generally creates an opportunity for shareholders to engage investee companies on a range of governance topics. As most companies want to prevent the unwanted surprise of failed resolutions, they engage with larger shareholders or representative organizations well before the meeting to make sure that any contentious issues are laid out in advance. Since most large institutional shareholders vote their shares via proxy (at a distance), the actual meeting doesn't tend to see much debate, and instead is more of a 'rubber-stamping' formality. Institutional investors may still join a meeting to make a public statement, but that seems to be the exception rather than the rule.

However, AGMs at many larger listed companies are getting livelier, particularly due to the participation of shareholders that are not part of that pre-AGM engagement. It is not uncommon for stakeholders of companies including employees, local communities and sustainability focused NGOs to join shareholder meetings and raise concerns. This is especially true at larger international companies entangled in complex societal issues, such as their extraction or use of fossil fuels.

At the AGMs of oil and gas companies, these groups usually ask a higher number of questions than institutional or retail shareholders. During periods of takeovers or restructurings, employees and labor unions also find their way to the AGM to make their voices heard. If non-shareholder stakeholders don't have another channel to effectively to raise their concerns, the AGM can become an annual meeting of stakeholders rather than shareholders.

We saw this happen a lot during the current AGM season. We attended the AGM of Ahold Delhaize in Amsterdam and asked for more substance on tax reporting, a more complete set of sustainability related KPIs for the Dutch retailer's remuneration policy, and clarification around the nomination process for the board.

At Unilever's AGM, we asked about the priorities of the company after the upcoming change in CEO, and whether we can expect reasonable external assurance around the key sustainability metrics in its remuneration policy. We also asked about the company's ambitions to limit its biodiversity impact to neutral or even positive, and what measurement systems the company has for this.

At both AGMs, other stakeholders claimed a significant role for themselves. Belgian labor unions showed up to Dutch retail chain Ahold Delhaize's meeting, and Dutch climate-focused NGO Milieudefensie repeatedly asked for a more ambitious climate target.

At Unilever's AGM, representatives of Milieudefensie also repeatedly asked the same question about climate targets. It meant the meetings took much longer than usual, and several other investors became annoyed by the hold-up. Yet, the meetings were conducted in a safe manner, and still allowed all shareholder to raise their questions and receive replies from management.

This was not the case at other AGMs. ING's meeting was halted by the chair on many occasions due to repeated disruptions. Food was thrown at Volkswagen's board of directors, while over at Shell, a participant stormed the platform on which the board was sitting, visibly frightening several attendees in the room. At Berkshire Hathaway, the Chairman and CEO of the National Legal and Policy Center got very critical and insulting and was removed by security. This change in tone and form was much more persistent this year than at any earlier proxy seasons.

The vast majority of AGMs are though much calmer, as seen at Adyen, Arcadis and Signify. In these cases, managements were also challenged about climate matters, but with both sides politely listening to each others' questions and answers.

The fact that the AGM is a platform where environmental and social and political topics are raised is nothing new, partly driven by the fact that sustainability topics are becoming more important. The observation that the AGM season was livelier than in previous years is perhaps not surprising, as participation was mostly limited to virtual attendance during the Covid pandemic.

This year, participants could finally again join the meetings in the old in-person format and made full use of that opportunity. What is concerning is where the tone of the debate is becoming much more hostile and, in some instances, even violent. Such 'debates' are far from being a dialogue, and increasingly the AGM is becoming just a place to make a point or a

> *" One thing is certain: stakeholder communication around the future of the AGM needs directors with social antennas and a meeting format fit for the 21st century*

Michiel van Esch

political statement. This does not lead to common understanding, or compromise or progress in any form; it just makes it clear that there is disagreement. The topics of the conversation rarely have any connection with the vote result or the agenda itself.

The events of the 2023 season might lead to a change in the participation of both company managements and institutional shareholders. Managements might increasingly decide to hold virtual-only AGMs, which we already see at many different US tech companies. We are not in favor of virtual-only AGMs as it provides managements with the opportunity to prioritize questions they are comfortable with, and to limit the opportunity for shareholders to raise concerns.

We also might see institutional shareholders focus on their one-on-one discussions with managements more, as these are often more effective than the AGM. Further reduction of participation of institutional investors during an AGM will not benefit the credibility of the meeting itself, and would reduce its function as the one moment in the year when companies are publicly held to account by their shareholders. But if the credibility of the AGM as a platform is to be maintained, changes are needed to facilitate a constructive conversation.

What changes are necessary is difficult to say, but pre-AGM engagements (or other forms of effective communication) with a larger set of stakeholders than just institutional investors seem a good way forward. There is also a role for the board as the conductor of the meeting beyond just opening the room for questions and sitting through until all questions are answered.

The obvious solution may lie in prioritizing questions that are sent in beforehand and allowing room for follow-up conversations. Hybrid set-ups can also allow for broader participation at an AGM by foreign shareholders. One thing is certain: stakeholder communication around the future of the AGM needs directors with social antennas and a meeting format fit for the 21st century.

PROXY VOTING – MARKET INSIGHT

# 2023 banking crisis: A cautionary tale of corporate governance

**Diana Trif – Engagement specialist**

The spring of 2023 was far from serene. The world watched in shock as Silicon Valley Bank (SVB), Signature Bank and First Republic failed in the US, spreading fears of contagion to other regional banks and beyond. Credit Suisse, once a symbol of Swiss financial power and stability, collapsed after years of scandals, and was taken over by its long-time domestic rival UBS in a rushed deal orchestrated by the government.

One question is now on everybody's mind – what went wrong? The simple answer is corporate governance.

In recent years, environmental, social and governance (ESG) factors have gained growing importance. The 'E' and the 'S' have arguably drawn the most attention recently, led by the focus on combating climate change. There is now a growing awareness that effective governance is imperative to long-term ESG success, and that poor corporate governance can have far-reaching consequences for the economy as a whole. Governance – once a more traditional topic for investors – seemed to have gone out of fashion, but every time something goes wrong, investor attention refocuses on it.

### Where are we at?

The Federal Reserve's report examining the SVB collapse concluded that the bank failed because of a "textbook case of mismanagement". The regulator found that the directors and management failed to manage risk, noting that the full board was neither adequately informed by management on risk, nor did they hold management accountable for effectively managing this risk. According to the report, the growth of Silicon Valley Bank Financial Group, the holding company of SVB, "far outpaced the abilities of its board of directors and senior management", while executive compensation packages incentivized managers to focus on short-term profit.

Similarly, a report from the Federal Deposit Insurance Corporation (FDIC) concluded that the collapse of Signature Bank was due to "poor management". The regulator noted that "the board of directors and management pursued rapid, unrestrained growth without developing and maintaining adequate risk management practices and controls appropriate for the size, complexity and risk profile of the institution."

While the report into the Credit Suisse collapse is yet to be released by the Swiss government, the lender was engulfed in one scandal after another in recent years. Its long list of missteps ranged from accusations of spying to money laundering, and pointed out deep-rooted corporate governance issues. In fact, the 2021 report by the Paul Weiss law firm into the Archegos debacle, in which Credit Suisse lost billions on highly risky financial swaps, reads like a case study of what can go wrong in a firm's corporate governance.

The report revealed no less than "a lackadaisical attitude towards risk and risk discipline; a lack of accountability for risk failures; risk systems that identified acute risks, which were systematically ignored by business and risk personnel; and a cultural unwillingness to engage in challenging discussions or to escalate matters posing grave economic and reputational risk." While the lender rolled out an extensive set of measures to remediate the shortcomings identified, the ensuing events which ultimately led to its demise suggest that these issues were far from being resolved.

### What next?

Looking back, the enhancement of corporate governance regulations was often a result of corporate failures. The Sarbanes-Oxley Act was passed in the aftermath of the Enron and WorldCom scandals. The 2003 collapse of Italian food giant Parmalat prompted a reform of insolvency law. We can therefore expect that the unfolding crisis will again trigger regulatory reform.

However, should this reform be the sole focus?

In a recent speech, the European Central Bank's Chair of the Supervisory Board noted the following:

> *" We should abandon the ambition of designing ever-more precise regulations that accurately measure all risks under any circumstances, covering even the most extreme business models and risk configurations. That approach only results in excessive complexity, with burdensome procedures for supervisors and excessive rewards for the few institutions that have the wherewithal to game the system. Instead, we should focus our efforts on empowering supervisory teams, within a strong accountability framework.*

The reality is that a myriad of factors contribute and lead to good governance. It's not only about having experienced directors on the board. It is also about fostering a sound ethical tone at the top and having the right board dynamics, ensuring that directors are engaged, that they challenge management and promote a culture of accountability. It is also about ensuring that shareholders have the proper tools available to hold the board and management accountable.

As shareholders, we are co-owners of many companies, and thus have the right to vote at their shareholder meetings. We use our voting rights with the aim of influencing a company's corporate governance and other relevant investment-related decisions in the best interest of our clients. This ensures that we can hold companies accountable for poor performance across all three dimensions of ESG. Voting can be used to push for basic governance tools and should be used by shareholders to flag their concerns by voting against the appropriate agenda item. Corporate governance only functions well if shareholders make active use of their rights and hold management to account for their performance – something that we still need much more of.

# Companies under engagement in 2023

## ENVIRONMENT

### Biodiversity
Archer-Daniels-Midland Co
Axfood AB
Barry Callebaut AG
Bridgestone Corp
Bunge Ltd
Cie Generale des Etablissements Michelin SCA
Cranswick PLC
Hershey Co/The
JBS S/A
Leroy Seafood Group ASA
Marfrig Global Foods SA
Mondelez International Inc
Ryohin Keikaku Co Ltd
Sappi Ltd
Signify NV
Suzano SA
Top Glove Corp Bhd
Unilever PLC
VF Corp

### Climate Transition of Financial Institutions
Australia & New Zealand Banking Group Ltd
Bank of America Corp
Barclays PLC
BNP Paribas SA
Citigroup Inc
DBS Group Holdings Ltd
HSBC Holdings PLC
ING Groep NV
JPMorgan Chase & Co
Sumitomo Mitsui Financial Group Inc

### Natural Resource Management
Ambev SA
Callon Petroleum Co
CF Industries Holdings Inc
Continental Resources Inc/OK
Diageo PLC
OCI NV
PepsiCo Inc
Sappi Ltd
Severn Trent PLC
Tronox Holdings PLC
United Utilities Group PLC

### Net Zero Carbon Emissions
Anglo American PLC
ArcelorMittal SA
Berkshire Hathaway Inc
BHP Group Ltd
BlueScope Steel Ltd
BP PLC
CEZ AS
Chevron Corp
China National Building Material Co Ltd
CRH PLC
Ecopetrol SA
Enel SpA
Exxon Mobil Corp
Heidelberg Materials AG
Hyundai Motor Co
JFE Holdings Inc
LyondellBasell Industries NV
Marathon Petroleum Corp
Petroleo Brasileiro SA
Phillips 66
PTT Exploration & Production PCL
Rio Tinto PLC
Saudi Arabian Oil Co
Shell PLC
Valero Energy Corp
Vistra Corp
WEC Energy Group Inc

### Sound Environmental Management
Alexandria Real Estate Equities Inc
Guangdong Investment Ltd
Hangzhou First Applied Material Co Ltd
LONGi Green Energy Technology Co Ltd

## SOCIAL

### Diversity and Inclusion
Eli Lilly & Co
Netflix Inc
Oracle Corp
Taiwan Semiconductor Manufacturing Co Ltd
Thermo Fisher Scientific Inc

### Human Rights Due Diligence for Conflict-Affected and High-Risk Areas
Bharat Electronics Ltd
Booking Holdings Inc
Cemex SAB de CV
Fast Retailing Co Ltd
Heidelberg Materials AG
Industria de Diseno Textil SA
PTT Exploration & Production PCL
Sinotruk Hong Kong Ltd
SolarEdge Technologies Inc
Wacker Chemie AG

### Labor Practices in a Post Covid-19 World
Accor SA
Delivery Hero SE
InterContinental Hotels Group PLC
Marriott International Inc/MD
Meituan
Uber Technologies Inc
Walmart Inc

### Social Impact of Gaming
Activision Blizzard Inc
NCSoft Corp
NetEase Inc
Take-Two Interactive Software Inc
Tencent Holdings Ltd

### Sound Social Management
Baidu Inc
Post Holdings Inc
Tencent Holdings Ltd
Tesco PLC
Weibo Corp

## GOVERNANCE

### Corporate Governance in Emerging Markets
CCR SA
Cosan SA
Coway Co Ltd
CPFL Energia SA
ENN Energy Holdings Ltd
Haier Smart Home Co Ltd
Hyundai Motor Co
Midea Group Co Ltd
Samsung Electronics Co Ltd

### Corporate Governance Standards in Asia
Inpex Corp
Resonac Holdings Corp
Rohm Co Ltd
Shin-Etsu Chemical Co Ltd
SK Hynix Inc

### Good Governance
Adyen NV
DSM-Firmenich AG
Heineken Holding NV
Koninklijke Ahold Delhaize NV
Signify NV
Unilever PLC

### Responsible Executive Remuneration

Aspen Technology Inc
Booking Holdings Inc
Henkel AG & Co KGaA
NIKE Inc
Schneider Electric SE
Tesco PLC
WALT DISNEY CO/THE
Wolters Kluwer NV

## VOTING RELATED ENGAGEMENT

### AGM engagement 2023

Airbus SE
BAWAG Group AG
BFF Bank SpA
Boeing Co/The
CBRE Group Inc
Cheniere Energy Inc
Deutsche Bank AG
Hana Financial Group Inc
Morgan Stanley
NextEra Energy Inc
Ovintiv Inc
Prysmian SpA
Semen Indonesia Persero Tbk PT
Sociedad Quimica y Minera de Chile SA
Wells Fargo & Co
Xylem Inc/NY

## SDGS

### SDG Engagement

Adobe Inc
Alphabet Inc
Amazon.com Inc
Amgen Inc
Apple Inc
AutoZone Inc
Banco BTG Pactual SA
Bank of Montreal
Capital One Financial Corp
CBRE Group Inc
CCR SA
Deutsche Boerse AG
eBay Inc
Elanco Animal Health Inc
Electronic Arts Inc
Elevance Health Inc
F5 Inc
Grupo Bimbo SAB de CV
Jeronimo Martins SGPS SA
Meta Platforms Inc
Mr Price Group Ltd
Nasdaq Inc
Neste Oyj
Novartis AG
OTP Bank Nyrt
Rio Tinto PLC
Salesforce Inc
Salmar ASA
Samsung Electronics Co Ltd
Sandvik AB
Sony Group Corp
STMicroelectronics NV
TotalEnergies SE
Union Pacific Corp
United Parcel Service Inc
Volvo AB

## GLOBAL CONTROVERSY ENGAGEMENT

### Acceleration to Paris

African Rainbow Minerals Ltd
Anhui Conch Cement Co Ltd
Berkshire Hathaway Inc
Caterpillar Inc
Formosa Plastics Corp
ITOCHU Corp
Marubeni Corp
Mitsubishi Corp
Mitsui & Co Ltd
Nippon Steel Corp
POSCO Holdings Inc
SAIC Motor Corp Ltd
Sumitomo Corp
Toyota Industries Corp
WH Group Ltd

### Global Controversy Engagement

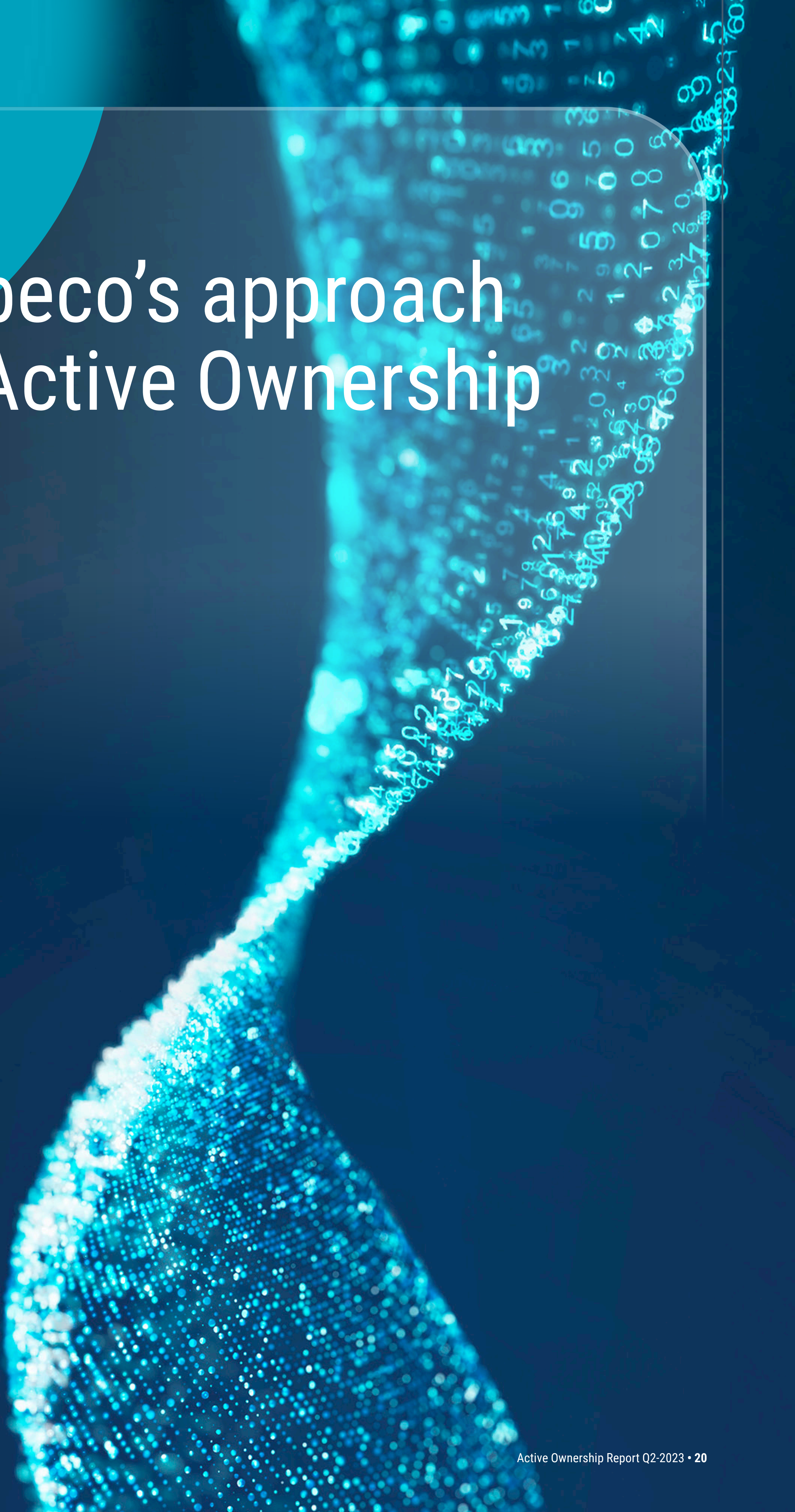
During the quarter, 12 companies were under engagement based on potential breaches of the UN Global Compact and/or the OECD Guidelines for Multinational Enterprises.

### Palm Oil

MP Evans Group PLC
REA Holdings PLC
Wilmar International Ltd

APPENDIX

# Robeco's approach to Active Ownership



## ROBECO'S ENGAGEMENT POLICY

Robeco actively uses its ownership rights to engage with companies on behalf of our clients in a constructive manner. We believe improvements in sustainable corporate behavior can result in an improved risk return profile of our investments. Robeco engages with companies worldwide, in both our equity and credit portfolios. Robeco carries out three different types of corporate engagement with the companies in which we invest;

### Value engagement

a proactive engagement approach focusing on long-term environmental, social or corporate governance issues that are financially material or are causing adverse sustainability impacts. Engagements typically last for three years, after which progress against initially set objectives are evaluated, with unsuccessful closures being communicated to clients and investment teams but no divestment decision to follow.

Voting Related AGM engagement: Voting at the Annual General Meetings (AGM) of shareholders offers shareholders the opportunity to provide direct feedback to a company - either in advance or after a company's AGM. These dialogues are not recurring long-term engagements, but unique opportunities to amplify the impact of our voting decisions. Corporate governance as well as other sustainability topics that may arise during a shareholder meeting are covered under this section, if they are not covered in other parts of the engagement program.

### SDG engagement

a proactive engagement approach focusing on driving clear and measurables improvements in a company's contribution to one or multiple of the Sustainable Development Goals. The engagement, lasting for three to five years, has its starting point within Robeco's SDG framework, identifying companies with the potential to meet key societal needs and works with timebound milestones to fulfil this potential.

### Enhanced engagement

a reactive engagement approach, focusing on companies that severely and structurally breach minimum behavioral norms in areas such as human rights, labor, environment, biodiversity and business ethics, as defined by the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises. If after two to three years, the enhanced engagement does not lead to the desired change, exclusion from the investment universe may be a potential option. Clients may use their own discretion on whether to exclude a company from their investment universe. In all three types of engagement, Robeco aims to improve a company's behavior on environmental, social and/or corporate governance (ESG) related issues with the aim of improving the long-term performance of the company and ultimately the quality of investments for our clients.

More information can be found on our website.

Robeco adopts a holistic approach to integrating sustainability. We view sustainability as a long-term driver of change in markets, countries and companies which impacts future performance. Based on this belief, sustainability is considered as one of the value drivers in our investment process, like the way we look at other drivers such as company financials or market momentum.

More information can be found on our website.

## THE UN GLOBAL COMPACT

One of the principal codes of conduct in Robeco's engagement process is the United Nations Global Compact. The UN Global Compact supports companies and other social players worldwide in stimulating corporate social responsibility. The Global Compact became effective in 2000 and is the most endorsed code of conduct in this field. The Global Compact requires companies to embrace, support and adopt several core values within their own sphere of influence in the field of human rights, labor standards, the environment and anti-corruption measures. Ten universal principles have been identified to deal with the challenges of globalization.

### Human rights

1. Companies should support and respect the protection of human rights as established at an international level
2. They should ensure that they are not complicit in human-rights abuses.

### Labor standards

3. Companies should uphold the freedom of association and recognize the right to collective bargaining
4. Companies should abolish all forms of compulsory labor
5. Companies should abolish child labor
6. Companies should eliminate discrimination in employment.

### Environment

7. Companies should adopt a prudent approach to environmental challenges
8. Companies should undertake initiatives to promote greater environmental responsibility
9. Companies should encourage the development and diffusion of environmentally friendly technologies.

### Anti-corruption

10. Companies should work against all forms of corruption, including extortion and bribery.

More information can be found at: https://www.unglobalcompact.org/

## OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES

The OECD Guidelines for Multinational Enterprises are recommendations addressed by governments to multinational enterprises operating in or from adhering countries, and are another important framework used in Robeco's engagement process. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognized standards.

The Guidelines' recommendations express the shared values of the governments of countries from which a large share of international direct investment originates and which are home to many of the largest multinational enterprises. The Guidelines aim to promote positive contributions by enterprises to economic, environmental and social progress worldwide.

More information can be found at: http://mneguidelines.oecd.org/

## INTERNATIONAL CODES OF CONDUCT

Robeco has chosen to use broadly accepted external codes of conduct in order to assess the ESG responsibilities of the entities in which we invest. Robeco adheres to several independent and broadly accepted codes of conduct, statements and best practices and is a signatory to several of these codes. Next to the UN Global Compact, the most important codes, principles, and best practices for engagement followed by Robeco are:

- International Corporate Governance Network (ICGN) statement on
- Global Governance Principles
- United Nations Global Compact
- United Nations Sustainable Development Goals
- United Nations Guiding Principles on Business and Human Rights

- OECD Guidelines for Multinational Enterprises
- Responsible Business Conduct for Institutional Investors (OECD)

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

## ROBECO'S VOTING POLICY

Robeco encourages good governance and sustainable corporate practices, which contribute to long-term shareholder value creation. Proxy voting is part of Robeco's Active Ownership approach. Robeco has adopted written procedures reasonably designed to ensure that we vote proxies in the best interest of our clients. The Robeco policy on corporate governance relies on the internationally accepted set of principles of the International Corporate Governance Network (ICGN). By making active use of our voting rights, Robeco can, on behalf of our clients, encourage the companies concerned to increase the quality of the management of these companies and to improve their sustainability profile. We expect this to be beneficial in the long term for the development of shareholder value.

## COLLABORATION

Where necessary, Robeco coordinates its engagement activities with other investors. Examples of this includes Eumedion; a platform for institutional investors in the field of corporate governance and the Carbon Disclosure Project, a partnership in the field of transparency on $CO_2$ emissions from companies, and the ICCR. Another important initiative to which Robeco is a signatory is the United Nations Principles for Responsible Investment. Within this context, institutional investors commit themselves to promoting responsible investment, both internally and externally.

## ROBECO'S ACTIVE OWNERSHIP TEAM

Robeco's voting and engagement activities are carried out by a dedicated Active Ownership Team. This team was established as a centralized competence center in 2005. The team is based in Rotterdam, the Netherlands, and Hong Kong. As Robeco operates across markets on a global basis, the team is multi-national and multi-lingual. This diversity provides an understanding of the financial, legal and cultural environment in which the companies we engage with operate. The Active Ownership team is part of Robeco's Sustainable Investing Center of Expertise headed by Carola van Lamoen. The SI Center of Expertise combines our knowledge and experience on sustainability within the investment domain and drives SI leadership by delivering SI expertise and insights to our clients, our investment teams, the company and the broader market. Furthermore, the Active Ownership team gains input from investment professionals based in local offices of the Robeco around the world. Together with our global client base we are able leverage this network to achieve the maximum possible impact from our Active Ownership activities.

## ROBECO

Robeco Institutional Asset Management B.V. (Robeco) is a pure play international asset manager founded in 1929. It currently has offices in 15 countries worldwide and is headquartered in Rotterdam, the Netherlands. Through its integration of fundamental, sustainability and quantitative research, Robeco is able to offer institutional and private investors a selection of active investment strategies, covering a range of asset classes.

Sustainability investing is integral to Robeco's overall strategy. We are convinced that integrating environmental, social and governance (ESG) factors results in better-informed investment decisions. Further we believe that our engagement with investee companies on financially material sustainability issues will have a positive impact on our investment results and on society.

More information can be found on our website.

## Important information

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

**Additional information for US Offshore investors – Reg S**
The Robeco Capital Growth Funds have not been registered under the United States Investment Company Act of 1940, as amended, nor the United States Securities Act of 1933, as amended. None of the shares may be offered or sold, directly or indirectly in the United States or to any US Person. A US Person is defined as (a) any individual who is a citizen or resident of the United States for federal income tax purposes; (b) a corporation, partnership or other entity created or organized under the laws of or existing in the United States; (c) an estate or trust the income of which is subject to United States federal income tax regardless of whether such income is effectively connected with a United States trade or business. In the United States, this material may be distributed only to a person who is a "distributor", or who is not a "US person", as defined by Regulation S under the U.S. Securities Act of 1933 (as amended).

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**Additional information for investors with residence or seat in Austria**
This information is solely intended for professional investors or eligible counterparties in the meaning of the Austrian Securities Oversight Act.

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

**Additional information for investors with residence or seat in Brunei**
The Prospectus relates to a private collective investment scheme which is not subject to any form of domestic regulations by the Autoriti Monetari Brunei Darussalam ("Authority"). The Prospectus is intended for distribution only to specific classes of investors as specified in section 20 of the Securities Market Order, 2013, and must not, therefore, be delivered to, or relied on by, a retail client. The Authority is not responsible for reviewing or verifying any prospectus or other documents in connection with this collective investment scheme. The Authority has not approved the Prospectus or any other associated documents nor taken any steps to verify the information set out in the Prospectus and has no responsibility for it. The units to which the Prospectus relates may be illiquid or subject to restrictions on their resale. Prospective purchasers of the units offered should conduct their own due diligence on the units.

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

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

**Additional information for investors with residence or seat in Colombia**
This document does not constitute a public offer in the Republic of Colombia. The offer of the fund is addressed to less than one hundred specifically identified investors. The fund may not be promoted or marketed in Colombia or to Colombian residents, unless such promotion and marketing is made in compliance with Decree 2555 of 2010 and other applicable rules and regulations related to the promotion of foreign funds in Colombia. The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. The information contained in this Prospectus is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves of any applicable legal requirements, exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile

**Additional information for investors with residence or seat in the Dubai International Financial Centre (DIFC), United Arab Emirates**
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**Additional information for investors with residence or seat in France**
Robeco Institutional Asset Management B.V. is at liberty to provide services in France. Robeco France is a subsidiary of Robeco whose business is based on the promotion and distribution of the group's funds to professional investors in France.

**Additional information for investors with residence or seat in Germany**
This information is solely intended for professional investors or eligible counterparties in the meaning of the German Securities Trading Act.

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

**Additional information for investors with residence or seat in Indonesia**
The Prospectus does not constitute an offer to sell nor a solicitation to buy securities in Indonesia.

**Additional information for investors with residence or seat in Italy**
This document is considered for use solely by qualified investors and private professional clients (as defined in Article 26 (1) (b) and (d) of Consob Regulation No. 16190 dated 29 October 2007). If made available to Distributors and individuals authorized by Distributors to conduct promotion and marketing activity, it may only be used for the purpose for which it was conceived. The data and information contained in this document may not be used for communications with Supervisory Authorities. This document does not include any information to determine, in concrete terms, the investment inclination and, therefore, this document cannot and should not be the basis for making any investment decisions.

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

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

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

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

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

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

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

**Additional information for investors with residence or seat in South Africa**
Robeco Institutional Asset Management B.V. is registered and regulated by the Financial Sector Conduct Authority in South Africa.

**Additional information for investors with residence or seat in Switzerland**
The Fund(s) are domiciled in Luxembourg. This document is exclusively distributed in Switzerland to qualified investors as defined in the Swiss Collective Investment Schemes Act (CISA). This material is distributed by Robeco Switzerland Ltd, postal address: Josefstrasse 218, 8005 Zurich. ACOLIN Fund Services AG, postal address: Leutschenbachstrasse 50, 8050 Zürich, acts as the Swiss representative of the Fund(s). UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zurich, postal address: Europastrasse 2, P.O. Box, CH-8152 Opfikon, acts as the Swiss paying agent. The prospectus, the Key Information Documents (PRIIP), the articles of association, the annual and semi-annual reports of the Fund(s), as well as the list of the purchases and sales which the Fund(s) has undertaken during the financial year, may be obtained, on simple request and free of charge, at the office of the Swiss representative ACOLIN Fund Services AG. The prospectuses are also available via the website.

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

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

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

**Additional information for investors with residence or seat in the United Kingdom**
Robeco is deemed authorized and regulated by the Financial Conduct Authority.

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

ROBECO
The Investment Engineers