

ROBECO INSTITUTIONAL ASSET MANAGEMENT

Statement on principal adverse impacts of investment advice on sustainability factors

June 2025

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Sustainability has long been in our DNA. We believe integrating sustainability factors into the investment process leads to more informed investment decisions and healthier long-term, risk-adjusted returns. A key pillar of Robeco's Sustainable Investing strategy is providing our clients with a full range of investment solutions that cater to their sustainable investing needs.

This statement provides information on how Robeco Institutional Asset Management B.V. ("Robeco") considers principal adverse impacts on sustainability factors in its investment advice. Robeco's ongoing investment advice mandates are aimed specifically at institutional clients:

Robeco provides ongoing investment advice in accordance with a legal agreement concluded with the relevant client. The investment advisory universe of Robeco for classic ongoing investment advice includes a broad range of financial instruments, e.g. shares, bonds, structured securities as well as undertaking for collective investments in transferable securities (UCITS) and alternative investment funds (AIFs).

Each client has different sustainable investment ambitions and preferences, therefore our investment advisory services take specific needs into account when considering principal adverse impacts. Robeco implemented the MiFID II suitability rules to ensure that our clients are asked about their sustainability preferences during the onboarding process, and we provide information about the sustainability characteristics of their portfolios and Robeco's funds. Our clients' sustainability preferences are considered when assessing the suitability of the products we offer to them.

With a clear view of the client's sustainability preferences, which can include PAI indicators, we determine which PAI indicators will be considered in the advisory mandate. In principle, this is recorded in the legal agreement with the client. Depending on the client's preferred PAI indicators, Robeco will give the client insight into the exact methodology (e.g., criteria and thresholds) and any periodical reporting. In general, for our investment advisory services, we may consider principal adverse impacts by applying normative and activity-based exclusions, via the application of additional inclusion and selection criteria as agreed with the individual client. Furthermore ESG integration is applied, which means principle adverse impacts will be taken into account when financially relevant. In most cases the approach agreed with the client involves a broad combination of these methods. When selecting investment funds for our advisory portfolios, we consider principal adverse impacts based on pre-contractual and periodic disclosures prescribed by SFDR for financial products that promote environmental or social characteristics (disclosing under article 9 SFDR) and financial products that have sustainable investment as their objective (disclosing under article 9 SFDR).

The implementation of SFDR Level 2 continues to be an important theme for our organization and clients. We aim to offer the best possible solutions to meet our clients' sustainability needs.