




Type of engagement	Reason for interaction
Individual/ internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making in a company's investment ESG issues <input checked="" type="checkbox"/> To encourage corporate practice for identifying the need to enhance ESG disclosure <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage via internal staff <input type="checkbox"/> To support investment decision-making in a company's investment ESG issues <input type="checkbox"/> To encourage corporate practice for identifying the need to enhance ESG disclosure <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To support investment decision-making in a company's investment ESG issues <input checked="" type="checkbox"/> To encourage corporate practice for identifying the need to enhance ESG disclosure <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage via internal staff <input type="checkbox"/> To support investment decision-making in a company's investment ESG issues <input type="checkbox"/> To encourage corporate practice for identifying the need to enhance ESG disclosure <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage via internal staff
Service provider engagements	<input checked="" type="checkbox"/> To support investment decision-making in a company's investment ESG issues <input checked="" type="checkbox"/> To encourage corporate practice for identifying the need to enhance ESG disclosure <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage via internal staff <input type="checkbox"/> To support investment decision-making in a company's investment ESG issues <input type="checkbox"/> To encourage corporate practice for identifying the need to enhance ESG disclosure <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage via internal staff

# RI TRANSPARENCY REPORT

2014/15

RobecoSAM AG



UNEP Finance Initiative  
Changing finance, financing change



United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Description of RI considerations	✓	Public	✓					✓	
SAM 02	Role of investment consultants	✓	Public				✓			
SAM 03	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 04	Breakdown of passive, active quant and active fundamental	🔒	n/a							✓
SAM 05	ESG incorporation strategies	🔒	n/a	✓	✓					
SAM 06	Selection processes (listed assets)	🔒	n/a	✓					✓	
SAM 07	Appointment considerations (listed assets)	🔒	n/a				✓			
SAM 08	Monitoring processes (listed assets)	🔒	n/a	✓						
SAM 09	Percentage of (proxy) votes cast	🔒	n/a		✓					
SAM 10	Selection processes (non-listed assets)	✓	Public	✓					✓	
SAM 11	Appointment considerations (non-listed assets)	✓	Public				✓			
SAM 12	Monitoring processes (non-listed assets)	✓	Public	✓					✓	
SAM 13	Description of RI considerations in ‘other’ asset classes	🔒	n/a	✓					✓	
SAM 14	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓					✓	
SAM 15	Examples of ESG issues in selection, appointment and monitoring processes	✓	Private		✓					
SAM 16	Disclosure of RI considerations	✓	Public						✓	

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 09	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 14	ESG issues in index construction	✓	Public	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Public	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	⚡	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	⚡	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	⚡	n/a		✓					
LEA 19	Confirmation of votes	✓	Public		✓					
LEA 20	Securities lending programme	✓	Public		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 24	Shareholder resolutions	✓	Public		✓					
LEA 25	Examples of (proxy) voting activities	✓	Public		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

# RobecoSAM AG

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01	Mandatory	Gateway/Peering	General
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### OO 01.1 Select the services you offer.

☒ Fund management

% of assets under management (AUM) in ranges

- ☐ <10%  
☐ 10-50%  
☒ >50%

☒ Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- ☐ <10%  
☒ 10-50%  
☐ >50%

☒ Other, specify

With S&P Dow Jones Indices, RobecoSAM publishes the Dow Jones Sustainability Indices (DJSI) which tracks stock performance of the world's leading companies.

% of assets under management (AUM) in ranges

- ☒ <10%  
☐ 10-50%  
☐ >50%

☐ Execution and advisory services

### OO 01.2 Additional information. [Optional]

RobecoSAM's actively managed investment strategies (Sustainable Global Equities, Sustainable European Equities and thematic strategies such as Sustainable Water, Smart Materials, Sustainable Healthy Living) aim to generate attractive returns from concentrated portfolios of attractively valued sustainability leaders or solutions-providers that exhibit positive momentum characteristics.

RobecoSAM Private Equity offers core and satellite investment capabilities with a focus on mainstream and resource efficiency to institutional investors, primarily through fund of funds but also through secondary funds and co-investments.

RobecoSAM's Dow Jones Sustainability Indices serve as benchmarks for investors who integrate sustainability considerations into their portfolios, and provide an effective engagement platform for companies who want to adopt sustainable best practices.

OO 02	Mandatory	Peering	General
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**OO 02.1**

Select the location of your organisation's headquarters.

Switzerland

**OO 02.2**

Indicate the number of countries in which you have offices (including your headquarters).

- ☐ 1  
☒ 2-5  
☐ 6-10  
☐ >10

**OO 02.3**

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

130

**OO 03****Mandatory****Descriptive****General****OO 03.1**

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ☐ Yes  
☒ No

**OO 04****Mandatory****Gateway/Peering****General****OO 04.1**

Indicate the year end date for your reporting year.

31/12/2014

**OO 04.2**

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		10	377	607	429
Currency	USD				
Assets in USD		10	377	607	429

**OO 04.5**

Indicate the level of detail you would like to provide about your asset class mix.

- ☒ Approximate percentage breakdown to the nearest 5% (e.g. 45%)  
☐ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

**OO 04.6**

Additional information. [Optional]

Our total AUM of USD 10.4 bn combines the Asset under Licenses (AUL) for the Dow Jones Sustainability Indices and the Asset under Management (AUM) for our active managed listed equity strategies and private equity strategies.

The AUL at 31 December 2014 were USD 4'966'007'031.

The AUM at 31 December 2014 were USD 5'411'600'398.

**OO 06****Mandatory****Descriptive****General****OO 06.1**

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- ☐ Publish our asset class mix as percentage breakdown
- ☒ Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	>50%	0
Fixed income – corporate	0	0
Fixed income – government	0	0
Fixed income – other	0	0
Private debt	0	0
Private equity	0	10-50%
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0

Other (1), specify	0	0
Other (2), specify	0	0

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

<b>OO 06.2</b>	Additional information. [Optional]
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This breakdown refers only to our AUM (USD 5.41 bn). It excludes the Asset under Licenses (AUL) reported in OO 04 (USD 4.96 bn).

RobecoSAM is the provider of the Corporate Sustainability Assessment and the Methodology for the integration of sustainability in the Dow Jones Sustainability Indices. RobecoSAM does not manage passive funds.

<b>OO 09</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>General</b>
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<b>OO 09.1</b>	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
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Founded in 1995, RobecoSAM is an investment specialist focused exclusively on Sustainability Investing. It offers asset management, indices, engagement, voting, impact analysis, sustainability assessments, and benchmarking services. Asset management capabilities cater to institutional asset owners and financial intermediaries and cover a range of ESG-integrated investments (in public and private equity), featuring a strong track record in resource efficiency theme strategies. Together with S&P Dow Jones Indices, RobecoSAM publishes the globally recognized Dow Jones Sustainability Indices (DJSI). Based on its Corporate Sustainability Assessment, an annual ESG analysis of 3,000 listed companies, RobecoSAM has compiled one of the world's most comprehensive databases of financially material sustainability information. Approximately 130 professionals work for RobecoSAM, which is headquartered in Zurich.

### Gateway asset class implementation indicators

<b>OO 10</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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<b>OO 10.1</b>	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.
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- ☒ We incorporate ESG issues into investment decisions on our internally managed assets
- ☒ We engage with companies on ESG issues via our staff, collaborations or service providers
- ☒ We cast our (proxy) votes directly or via service providers
- ☐ None of the above

<b>OO 11</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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**OO 11.2**

Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- ☒ Private equity
- ☐ None of the above

**OO 12****Mandatory****Gateway****General****OO 12.1**

The modules and sections that you will be required to complete are listed below.

*This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.*

**Core modules**

- ☒ Organisational Overview
- ☒ Overarching Approach (including assets which do not have a separate module)

**RI implementation directly or via service providers****Direct - Listed Equity incorporation**

- ☒ Listed Equity incorporation

**Direct - Listed Equity active ownership**

- ☒ Engagements
- ☒ (Proxy) voting

**RI implementation via external managers****Indirect - Selection, Appointment and Monitoring of External Managers**

- ☒ Private Equity

**Closing module**

- ☒ Closing module

# RobecoSAM AG

## Reported Information

### Public version

### Overarching Approach

## PRI disclaimer

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## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1	Indicate if you have a responsible investment policy.
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- ☒ Yes  
☐ No

OA 01.2	Indicate if you have other guidance documents or more specific policies related to responsible investment.
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- ☒ Yes  
☐ No

OA 01.3	Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]
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RobecoSAM firmly believes that the integration of sustainability insights into financial analysis helps to gain a better understanding of companies' quality of management, long-term competitiveness and future performance potential. This in turn enables us to identify attractive investment opportunities that can generate long lasting value for our clients. In short, a focus on sustainability leads to better informed investment decisions.

Our investment decisions are based on two practical guiding principles: Firstly, sustainable business practices are critical to the creation of long-term stakeholder value in an increasingly resource-constrained world. Sustainability factors represent risks as well as opportunities for companies in an increasingly competitive business environment. We therefore actively integrate these factors in all investment processes of the investment strategies managed by RobecoSAM and most of the listed equity and fixed income strategies managed by Robeco Institutional Asset Management (RIAM).

We also believe that the financial markets are the most powerful transmission mechanisms to promote sustainable business practices. We therefore act as active owners and engage with companies on an ongoing basis on how they can improve their sustainability performance.

Our approach to Sustainability Investing is outlined on the RobecoSAM homepage:  
<http://www.robecosam.com/en/sustainability-insights/about-sustainability/sustainability-investing.jsp>

The Robeco Voting Policy and the Robeco Exclusion Policy can be found at the following links:

<http://www.robeco.com/images/robeco-voting-policy-2015.pdf>

<http://www.robeco.com/images/robecos-exclusion-policy.pdf>

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1	Indicate if your responsible investment policy is publicly available.
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- ☒ Yes

OA 02.2	Provide a URL to your responsible investment policy.
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URL

<http://www.robecosam.com/en/sustainability-insights/about-sustainability/sustainability-investing.jsp>

☐ No

**OA 02.3**

Indicate if your other policies or guidance documents related to responsible investment are publicly available.

☒ Yes

☐ Yes, all

☒ Yes, some

**OA 02.4**

List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Measuring Intangibles - Sustainability Assessment Methodology	<a href="http://www.robecosam.com/images/CSA_methodology_en.pdf">http://www.robecosam.com/images/CSA_methodology_en.pdf</a>
Focus: Financial Materiality of Sustainability	<a href="http://www.robecosam.com/images/RobecoSAM_Insight_2014_01_En.pdf">http://www.robecosam.com/images/RobecoSAM_Insight_2014_01_En.pdf</a>
Country Sustainability Ranking	<a href="http://www.robecosam.com/en/sustainability-insights/about-sustainability/country-sustainability-ranking.jsp">http://www.robecosam.com/en/sustainability-insights/about-sustainability/country-sustainability-ranking.jsp</a>
Sample Questionnaire - Corporate Sustainability Assessment	<a href="http://www.robecosam.com/images/sample-questionnaire.pdf">http://www.robecosam.com/images/sample-questionnaire.pdf</a>
Robeco Voting Policy	<a href="http://www.robeco.com/images/robeco-voting-policy-2015.pdf">http://www.robeco.com/images/robeco-voting-policy-2015.pdf</a>
Robeco Exclusion Policy	<a href="http://www.robeco.com/images/robecos-exclusion-policy.pdf">http://www.robeco.com/images/robecos-exclusion-policy.pdf</a>

☐ No



**OA 02.5** Additional information. [Optional]

Our approach to analysing the sustainability performance of the companies we invest in is described in our "Measuring Intangibles - sustainability assessment methodology" brochure. In addition, our annually published Sustainability Yearbook contains a ranking of the top 15% of companies in each of the 59 industries analysed and provides an overview of some of the key environmental, social and economic issues that are assessed in each sector. Furthermore, our structured assessment methodology provides detailed guidance on environmental, social, governance and economic issues that have been identified as financially material by our analysts. Likewise, further information on RobecoSAM's Private Equity responsible investment policies are detailed in the annual ESG Engagement Report which is publically available. Finally, RobecoSAM makes public our sustainability integration process, detailing how sustainability and financial information are combined to produce a fair value price in the financial model.

<http://www.robecosam.com/en/sustainability-insights/library/the-sustainability-yearbook.jsp>

[http://www.robecosam.com/images/CSA\\_methodology\\_Brochure.pdf](http://www.robecosam.com/images/CSA_methodology_Brochure.pdf)

[http://www.robecosam.com/images/Responsible\\_Investing\\_in\\_Private\\_Equity.pdf](http://www.robecosam.com/images/Responsible_Investing_in_Private_Equity.pdf)

<http://yearbook.robecosam.com/from-theory-to-practice.html>

**OA 03** **Mandatory** **Core Assessed** **PRI 1,2**

**OA 03.1** Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

**OA 03.2** Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]

Our approach to sustainability investing, combined with our voting and exclusion policies apply to all our investment activities.

**OA 03.3** Additional information. [Optional]

Voting Policy: <http://www.robeco.com/images/robeco-voting-policy-2015.pdf>

Exclusion Policy: <http://www.robeco.com/images/robecos-exclusion-policy.pdf>

OA 04	Mandatory	Core Assessed	General
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OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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☒ Yes

OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
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RobecoSAM does not anticipate any conflicts of interest with regard to the management of different client strategy mandates as it has a compliance framework that clearly supports the firm's commitment to best business practices for all assets invested in the same strategy.

Fair dealing and equal treatment of clients is an integral part of RobecoSAM's business ethics and has the highest priority. The main policy governing the respective standards is the "Kodex für die berufliche Vorsorge", a code established and administrated by the Swiss Pension Funds Association. The code requires its subscribers to protect beneficiaries from conflicts of interests of persons/institutions trusted with the management or advisory of any pension plan assets, establishes rules of conduct for persons/institutions trusted with the management and advisory of pensions' assets, and requires the disclosure of personal benefits of such trustees related to their activities for pension funds. The code also requires an independent audit regarding the existence and adequacy of internal policies and procedures.

RobecoSAM's sustainability research process is also audited annually and has been designed to ensure that companies are assessed equally and fairly (e.g. blackout period between analysts and companies enforced during the assessment process) and that the necessary Chinese Walls are in place between Research and Portfolio Management (e.g. no access to scores until the Index is published). RobecoSAM's Sustainability Services, which provides companies with detail feedback on their corporate sustainability performance, is a separate entity. Please see its statement of independence:

[www.robecosam.com/images/Statement\\_of\\_Independence\\_131021.pdf](http://www.robecosam.com/images/Statement_of_Independence_131021.pdf)

☐ No

## Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1	Indicate if your organisation sets objectives for its responsible investment activities.
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☒ Yes

OA 05.2	Indicate how frequently your organisation sets or revises objectives for responsible investment.
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☒ At least once per year

☐ Less than once per year

**OA 05.3**

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- ☒ Quarterly
- ☐ Biannually
- ☐ Annually
- ☐ Every two years or less
- ☐ It is not reviewed
- ☐ No

**OA 05.4**

Additional information. [Optional]

Within our risk management department the performance objectives for responsible investment are integrated, monitored and discussed on a monthly basis. In addition we have designed several reporting tools for our clients that capture the sustainability performance of portfolios (e.g. scores, spider charts, tree maps etc.).

Furthermore, a Media& Stakeholder Analysis (MSA) is conducted continuously throughout the year to identify companies in the investment universe that may have been involved in critical environmental, economic and social crisis situations that could have a damaging effect on their reputation and core business, and to evaluate their response and management of such situations. In addition to this, the consistency and quality of a company's behaviour, response, and management of such situations is reviewed vis-à-vis its stated principles and policies. Cases where companies are identified as having been involved in critical environmental, economic and social crisis situations can lead to a downgrading of the respective sustainability score, which may in turn have an impact on the total valuation of the specific stock.

## Governance and human resources

**OA 07**

Voluntary

Descriptive

General

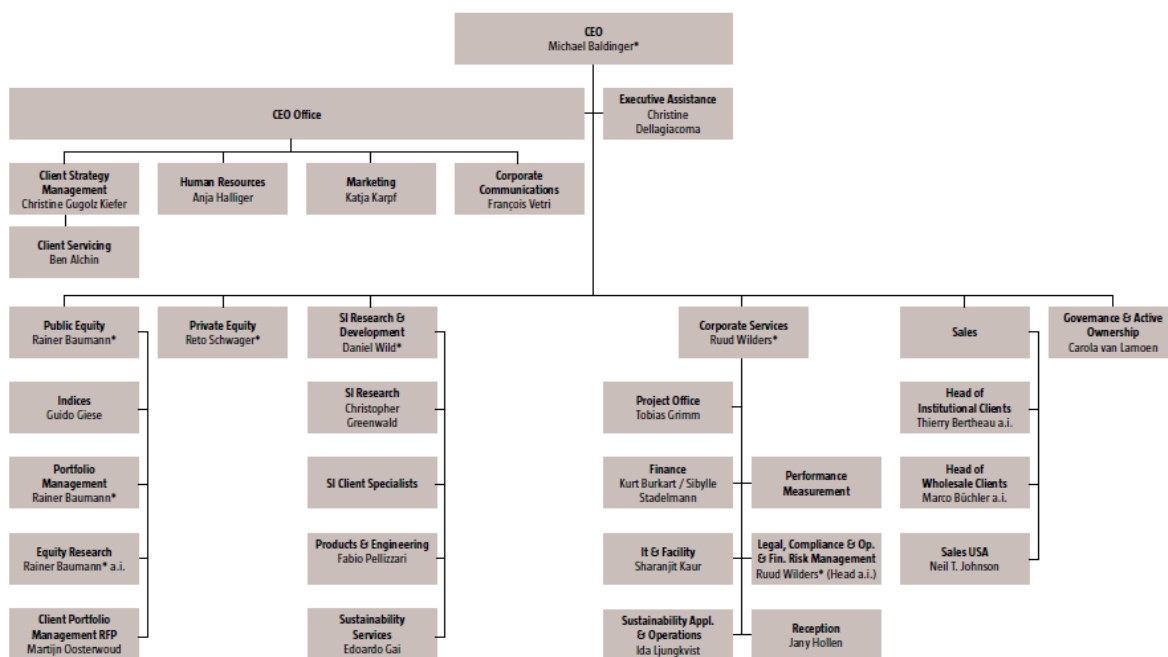
## OA 07.1

Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

Sustainability investing has been at the heart of RobecoSAM's philosophy since the firm's founding in 1995. The group is a specialized investment boutique with an explicit focus on incorporating sustainability considerations into investment decisions. As a dedicated asset manager, solely focused on sustainability investing, we do not have a dedicated governance structure responsible for RI. Our executive team and investment staffs are collectively responsible for our sustainability investing activities.

☒ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

## RobecoSAM AG



\* RobecoSAM AG Executive Committee  
As of January 2015

To upload the image click the Save button below

OA 08	Mandatory	Gateway/Core Assessed	General
OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.		

## Roles present in your organisation

- ☒ Board members or trustees
  - ☒ Oversight/accountability for responsible investment
  - ☐ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Other Chief-level staff or head of department, specify  
**Executive Committee (<http://www.robecosam.com/en/about-us/executive-committee.jsp>)**
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Portfolio managers
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investment analysts
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Dedicated responsible investment staff
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ External managers or service providers
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other role, specify
- ☐ Other role, specify

**OA 08.2**

Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

Number

31

OA 08.3	Additional information. [Optional]
---------	------------------------------------

All 130 staff working for RobecoSAM are involved in delivering sustainability investing solutions to our clients. Specifically, 31 employees are dedicated to implementation and oversight of different aspects of the responsible investment process. The individual components are as follows:

- 6 FTEs in Sustainability Applications and Operations, who are responsible for the management of the yearly RobecoSAM Corporate Sustainability Assessment process
- 10 FTEs in SI Research, who are responsible for analysing the sustainability performance of companies and providing recommendations to investment teams
- 1 FTE in Products & Engineering, who is dedicated to research and development ESG profiles and risk of countries
- 3 FTEs in Sustainability Services, who are responsible for corporate ESG benchmarking activities
- 9 FTEs are dedicated to voting and engagement activities, in the Governance and Active Ownership team
- 2 FTEs form the Sustainability Investing Client Specialist team

OA 09	Voluntary	Additional Assessed	General
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OA 09.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
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#### Board members/Board of trustees

- ☒ Responsible investment included in personal development and/or training plan

OA 09.2	Describe any activities undertaken during the reporting year to develop and maintain Board members' skills and knowledge in relation to responsible investment.
---------	---

As an investment specialist exclusively dedicated to Sustainability Investing, RobecoSAM's Board is fully committed to sustainability investing and very engaged on this topic in all Board discussions.

- ☐ None of the above

#### Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

#### Other C-level staff or head of department

Executive Committee (<http://www.robecosam.com/en/about-us/executive-committee.jsp>)

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

### Portfolio managers

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

### Investment analysts

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

### Dedicated responsible investment staff

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

#### OA 09.3

Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

As an investment specialist exclusively dedicated to Sustainability Investing, all objectives are related to Sustainability Investing. To ensure that the company is aligned to deliver on group-wide SI objectives, the targets are broken down into departments, teams and individuals targets. Collaboration between different teams and departments is emphasized through these shared objectives, as well as the use of internal stakeholders feedback in individuals' performance appraisals and the promotion of "collaborative growth" as one of five RobecoSAM's corporate values.

## Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

#### OA 10.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

### Select all that apply

- ☒ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

We actively support several aspects of the PRI's work, primarily regarding the development of the new PRI Reporting and Assessment Framework (RobecoSAM is member of the UNPRI Assessment Technical Committee) and the implementation of Principle 1 (RobecoSAM is a member of the ESG Integration Working Group). Furthermore, we contributed to the "Integrated Analysis" publication (February 2013) and the launch of the new Reporting and Assessment Framework, and participated in several panels including the PRI annual conference in Cape Town (Oct 2013). In 2014, we also conducted a statistical analysis of the first PRI reporting outcomes and presented the results at joint investor events in London and New York.

Additionally, RobecoSAM contributed to the tax session "Corporate tax strategy - how should responsible investors respond?" at the PRI in Person conference in Montreal (September 2014) and has remained in continuous dialogue with PRI and other PRI signatories about the topic. This includes, for example, an update in the PRI webcast about corporate taxation in January 2015.

- ☐ Asian Corporate Governance Association  
☒ Association for Sustainable & Responsible Investment in Asia

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Ronnie Lim, a Robeco Senior Investment Product Specialist, is also a Director of the Board of the Association for Sustainable and Responsible Investment in Asia (ASRIA), representing RobecoSAM in ASRIA. Mr. Lim assists ASRIA with a strategic review and is the process of exploring a sustainability investing ESG accreditation programme. Furthermore, in 2014 Mr. Lim was a guest speaker at the Banking Environment Initiative Forum (BEI) 2014. More information on the BEI Forum is on the following link: <http://www.beiforum2014.com/programme.html>, whilst information on Mr. Lim can be found on the following link: <http://asria.org/team/ronnie-lim/>.

RobecoSAM are co-developers of the e-learning module "Enhanced Financial Analysis" for the RI Academy which educates the market about ESG integration. The tool is being actively promoted by ASRIA to their members and is receiving greater attention since the RI Academy became part of PRI.

- ☐ Australian Council of Superannuation Investors  
☒ CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic  
☐ Moderate  
☒ Advanced



Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

We are integrating CDP climate questions within the RobecoSAM Corporate Sustainability Assessment, which is answered by companies that together represent 1/3 of the world's total market capitalization, thereby incentivizing companies to answer CDP request for information.

☐ CDP Forests

☒ CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

☐ Basic

☒ Moderate

☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

We helped further develop the CDP methodology, and align the approach for water risk assessments, which facilitates reporting efforts for participating companies.

☐ CFA Institute Centre for Financial Market Integrity

☐ Council of Institutional Investors (CII)

☐ Eumedion

☒ Extractive Industries Transparency Initiative (EITI)

Your organisation's role in the initiative during the reporting period (see definitions)

☒ Basic

☐ Moderate

☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

RobecoSAM Senior Analyst participated in EITI Investor Board conference call in October 2014.

☐ Global Investors Governance Network (GIGN)

☒ Global Real Estate Sustainability Benchmark (GRESB)

Your organisation's role in the initiative during the reporting period (see definitions)

☐ Basic

☒ Moderate

☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

RobecoSAM aligned the industry specific Real Estate questionnaire in the Corporate Sustainability Assessment with GRESB.

- ☐ Institutional Investors Group on Climate Change (IIGCC)
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☒ International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

The RobecoSAM Governance and Active Ownership team closely cooperates with the International Corporate Governance Network on an ongoing basis. Furthermore, RobecoSAM voting and engagement services are based on Global Corporate Governance Principles.

- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☒ Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

We participated in the Consultant Project over the past couple of years, and we always attend the main Spring conference. Furthermore, a RobecoSAM Senior Portfolio Manager contributed to a key CERES Smart Energy Webinar in October 2014, focusing on clean energy and the related opportunity set.

- ☐ Local Authority Pension Fund Forum
- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify  
RobecoSAM is a signatory / member of Eurosif and ASRIA.

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

- ☐ Shareholder Association for Research and Education (Share)
- ☒ United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Several senior RobecoSAM employees from the Sustainability Investing Research and Sustainability Application and Operations teams have been active contributors to the UNEP FI Property Working Group, including participation in quarterly calls. Furthermore, RobecoSAM provided input to the Group on the Sustainability Metrics in the Real Estate industry.

Furthermore, RobecoSAM CEO Michael Baldinger is an active participant of the Swiss Country Engagement for the UNEP Inquiry into the Design of a Sustainable Financial System.

- ☒ United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

The RobecoSAM Governance and Active Ownership team uses the 10 UNGC principles the normative basis for its Enhanced Engagement cases (EE), thus we encourage companies under engagement to comply with the UNGC principles. This helps to proliferate the acceptance of the principles within the business community. Furthermore, Robeco signed the UNGC in 2014 (before we were part of the UNGC via our previous parent company Rabobank) and aims at being an active signatory.

- ☒ Other collaborative organisation/initiative, specify

International Integrated Reporting Committee (IIRC) and Sustainability Accounting Board Standards (SABS)

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

- ☒ Other collaborative organisation/initiative, specify

Global Reporting Initiative (GRI)

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

RobecoSAM collaborated with the GRI on a joint study on materiality analysis.

Press release: <http://www.robecosam.com/images/150304-press-release-new-GRI-and-RobecoSAM-publication-explores-materiality.pdf>

- ☒ Other collaborative organisation/initiative, specify

Cornerstone Capital Group

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

At the 2014 RobecoSAM Forum, Erika Karp, the Founder and CEO of Cornerstone Capital Inc. co-chaired a seminal panel with Bob Eccles, Professor of Management Practice at Harvard Business School. RobecoSAM contributes articles to Cornerstone's Journal of Sustainable Finance & Banking in order to help progress in the responsible investing thought leadership. Most recently, RobecoSAM employees have authored articles on food security, transparency and gender: <http://cornerstonecapinc.com/2015/02/february-edition-of-the-cornerstone-jsfb-themed-gender-lens/>.

Finally, RobecoSAM CEO, Michael Baldinger, is a member of the Cornerstone Capital Board of Directors.

- ☐ Other collaborative organisation/initiative, specify

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- ☒ Yes

**OA 11.2**

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- ☒ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- ☒ Provided financial support for academic or industry research on responsible investment
- ☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- ☒ Spoke publicly at events and conferences to promote responsible investment
- ☒ Wrote and published in-house research papers on responsible investment
- ☒ Encouraged the adoption of the PRI
- ☐ Other, specify

☐ No

**OA 11.3**

Additional information. [Optional]

Besides developing the Enhanced Financial Analysis learning module in collaboration with the RI Academy, we have a number of ongoing academic collaborations (for instance with Harvard Business School) investigating the links between sustainability performance and financial performance. We regularly publish in-house research papers (see <http://www.robecosam.com/en/sustainability-insights/library/index.jsp>) including the annually published Sustainability Yearbook, which provides a global reference on corporate sustainability performance. At our annual RobecoSAM Forum, we host over 200 delegates for a 2-day seminar on sustainability investing, bringing together sustainability leaders from the industry and from the investment community. Please see here for the 2014 Forum Report 'Mobilizing Capital: Putting Sustainability To Work':

<http://www.robecosam.com/images/conference-report-2014.pdf>

RobecoSAM is a founding member, of the new association Swiss Sustainable Finance (<http://www.sustainablefinance.ch/en>). The objective of the association is to establish Switzerland as the leading centre for sustainable finance, offering growth opportunities for the Swiss economy and benefitting society at large. Daniel Wild, Head of SI Research& Development at RobecoSAM is a Board Member of Swiss Sustainable Finance.

**OA 12**

Voluntary

Additional Assessed

PRI 4,5,6

**OA 12.1**

Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

☒ Yes

- ☒ Yes, individually
- ☒ Yes, in collaboration with others

**OA 12.2**

Select the methods you have used.

- ☒ Endorsed written submissions to governments, regulators or standard-setters developed by others
- ☒ Drafted your own written submissions to governments, regulators or standard-setters
- ☒ Participated in face-to-face meetings with government members or officials to discuss policy
- ☐ Other, specify

**OA 12.3**

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

☒ Yes, publicly available

provide URL

[http://www.theiirc.org/wp-content/uploads/2013/08/075\\_RobecoSam.pdf](http://www.theiirc.org/wp-content/uploads/2013/08/075_RobecoSam.pdf)

provide URL

[http://www.sasb.org/wp-content/uploads/2014/02/NRRDueProcessReview\\_forSC.pdf](http://www.sasb.org/wp-content/uploads/2014/02/NRRDueProcessReview_forSC.pdf)

☐ No

☐ No

## ESG issues in asset allocation

**OA 13****Voluntary****Descriptive****PRI 1****OA 13.1**

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

☐ Yes

☒ No

**OA 13.3**

Additional information.

We do not perform any strategic asset allocation within RobecoSAM. Sustainability issues are at the heart of our philosophy and considered within each investment strategies and could impact the allocation of assets between geographic markets through the bottom up considerations of ESG issues in companies' fundamental analysis.

**OA 14****Voluntary****Descriptive****PRI 1****OA 14.1**

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

☒ Yes

**OA 14.2**

Indicate the percentage of your total AUM invested in environmental and social themed areas.

% of total AUM

56

**OA 14.3**

Please specify which thematic area(s) you invest in and provide a brief description.

Area
------

☒ Clean technology (including renewable energy)

Asset class invested
----------------------

☒ Listed equity

☒ Private equity

Brief description of investment
---------------------------------

The RobecoSAM Smart Materials Strategy provides investors with a future oriented approach that goes beyond simply investing in natural resources. The strategy focuses on innovative materials that substitute traditional ones and process technologies that deliver efficiency gains in resource extraction, processing, and usage. These are the very mechanisms that have enabled humankind to cope with population and economic growth in a resource-constrained world over time. As we continue to deplete our stock of finite resources and environmental issues intensify, this is undoubtedly the investment approach of the future for the materials sector. The fund predominantly invests in materials, industrials and IT companies.

The RobecoSAM Smart Energy Fund is an actively managed strategy that invests worldwide in innovative technology companies of the energy sector. The strategy integrates the latest developments in the sector and takes advantage of the possibility to move into new growth areas. The balanced portfolio encompasses value stocks such as power producers, grid operators and gas distribution companies, but also stocks with high growth potential such as solar polysilicon producers, wind turbine manufacturers, LED companies for efficient lighting, batteries, semiconductor power management, industrial automation and LNG processing.

The RobecoSAM Private Equity offers core and satellite investment capabilities with a focus on mainstream and resource efficiency to institutional investors. RobecoSAM's Private Equity Resource Efficiency capability is focused on capitalizing on the growing supply-demand imbalance of natural resources. Resource efficient solutions address these issues and are expected to be of vital importance to sustain global growth patterns. Resource Efficiency encompasses a number of key industry sectors such as energy, industrials, water, agribusiness and materials.

In 2014 RobecoSAM, in cooperation with the Asian Development Bank and Orix, announced the formation of Asia Climate Partners (ACP), a joint venture that undertakes commercially-oriented private equity investments across a variety of environmentally supportive, low-carbon transactions throughout Asia.

ACP, which is capitalized initially by \$400 million from its founding partners, and 37.5% owned by Robeco is based in Hong Kong and staffed by a team of experienced private equity investment professionals. ACP is dedicated to investing in renewable energy, clean technology, natural resource efficiency, water, agriculture, forestry and other climate-friendly companies and transactions that are structured to generate market-driven, risk-adjusted returns and have a positive environmental and social impact.

☐ Green buildings

☐ Sustainable forestry

☒ Sustainable agriculture

Asset class invested
----------------------

☒ Listed equity

☐ Private equity

Brief description of investment
---------------------------------

The RobecoSAM Sustainable Agribusiness Equities fund invests globally in companies that play an integral role in the long-term provision of food security. Within a rigid framework of sustainability considerations, the strategy spans the entire agricultural value chain from field to fork. The fund is based on bottom-up stock selection and seeks to achieve long-term capital appreciation on the basis of buoyant agricultural fundamentals. The fund predominantly invests in Consumer Staples, Materials and Industrials sectors.

- ☐ Microfinance
- ☐ SME financing
- ☐ Social enterprise / community investing
- ☐ Affordable housing
- ☐ Education
- ☒ Global health

Asset class invested
----------------------

- ☒ Listed equity
- ☐ Private equity

Brief description of investment
---------------------------------

The RobecoSAM Sustainable Healthy Living Fund is a globally invested fund at the intersection of changing consumer behavior and drastically rising healthcare costs. The strategy is based on bottom-up stock selection and seeks to achieve long-term capital appreciation through exposure to booming nutrition, health and wellness markets. The fund predominantly invests in firms within consumer staples, consumer discretionary and healthcare sectors, which results in an interesting opportunity set of cyclical and defensive characteristics.

- ☒ Water

Asset class invested
----------------------

- ☒ Listed equity
- ☐ Private equity

Brief description of investment
---------------------------------

The RobecoSAM Sustainable Water Strategy invests worldwide in innovative companies offering products and services that address global challenges related to scarcity, quality, and allocation of water. These companies help assure clean and safe drinking water in sufficient quantities and are thus well positioned to profit in the long run. The strategy is actively managed and is based on bottom-up stock selection. The fund predominantly invests in companies within industrials and utilities sectors.

- ☐ Other area, specify

☐ No



OA 14.4	Additional information.
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Our sustainability thematic strategies have received a number of awards.

<http://www.robecosam.com/en/about-us/awards.jsp>

## Innovation

OA 18	Voluntary	Descriptive	General
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OA 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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☒ Yes

OA 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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Since its founding in 1995, RobecoSAM has been entirely dedicated to sustainability investing. RobecoSAM's approach is unique in that it performs all aspects of sustainability investing in-house, from data sourcing, data analysis and ongoing dialogues with companies to systematic integration of material sustainability issues in company analysis and investment decisions. As a specialist asset manager, it leverages ESG data provided directly by companies in its proprietary Corporate Sustainability Assessment to offer investment strategies that meet the needs of institutional investors. The Sustainability Yearbook published annually by RobecoSAM is recognised as a global benchmark for corporate sustainability.

In addition to the unique features described above, there are a number of specific innovations that were launched in 2014:

The RobecoSAM Global Small Cap Equities Strategy invests in small and mid-cap companies only across all sectors whose business activities directly address challenges arising from long-term megatrends such as demographic change, resource scarcity, pollution and climate change. The strategy delivers a concentrated portfolio of high conviction stocks based on bottom-up stock selection and seeks to outperform the MSCI World Small Cap Index. It is the first sustainability pure play in the field of global small and mid-caps.

RobecoSAM launched the S&P/TSX 60 ESG Index to track the performance of the constituent companies of one of the S&P headline indices, the S&P/TSX 60. The original weight of a company in the S&P/TSX 60 is tilted using RobecoSAM's Corporate Sustainability Assessment scores. Jointly launched in June 2014 by S&P Dow Jones Indices and RobecoSAM, the index is the first in a series of S&P/RobecoSAM Smart Beta ESG indices.

RobecoSAM also launched the Quant Sustainable Global Equities Strategy which offers investors exposure to global equities close to that of the MSCI World, with an improved sustainability and risk-return profile. The strategy draws on RobecoSAM's expertise in sustainability research and Robeco's long track record in quantitative investing, the strategy builds a diversified portfolio in which companies with strong sustainability performance and attractive valuation and sentiment characteristics are overweighted relative to the benchmark, while companies with less attractive sustainability profiles are underweighted. The strategy addresses a need from investors that have little risk tolerance but want to have an improved sustainability profile.

Since 2014 RobecoSAM has also developed dedicated SI solutions capabilities. We have hired personnel to help asset owners assess where they stand in terms of sustainability using our expertise, data and analytics to develop a strategy to implement sustainability investing in their portfolios.

Finally, RobecoSAM collaborated with the Global Reporting Initiative to produce a materiality framework demonstrating the financial materiality of sustainability. Similar to risk analysis the RobecoSAM approach to materiality focuses on the magnitude of impact from a defined factor on the company's operations and the likelihood of the event occurring. The framework was publicly released in 2015 but was in use throughout 2014 (<https://www.globalreporting.org/resource/library/Defining-Materiality-What-Matters-to-Reporters-and-Investors.pdf>).

☐ No

### Assurance of responses

OA 19	Voluntary	Additional Assessed	General
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OA 19.1	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.
---------	---

☒ Yes

OA 19.2	Indicate who has reviewed, validated and/or assured your reported information.
---------	--

- ☒ Reviewed by Board, CEO, CIO or Investment Committee
- ☒ Validated by internal audit or compliance function
- ☐ Assured by an external independent provider, specify name

OA 19.3	Describe the steps you have taken to review, validate and/or assure the content of your reported information.
---------	---

The information provided in this report was reviewed and validated by RobecoSAM's Executive Committee (which includes RobecoSAM's CEO as well as the Heads of Public Equity and Private Equity) and by its Legal and Compliance team.

☐ No

RobecoSAM AG

## Reported Information

### Public version

Indirect – Manager Selection, Appointment and Monitoring

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

SAM 01	Voluntary	Descriptive	PRI 1-6
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### SAM 01.1

Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

RobecoSAM's approach to responsible investing in Private Equity is a combination of:

1. Exclusion of certain industry sectors;
2. Subscription to and implementation of the Robeco Principles for Responsible Private Equity;
3. Annual engagement process and reporting based on the annual Robeco Responsible Private Equity Questionnaire.

For its Sustainable (RSPE), Responsible (RRPE II) and Clean Tech (CT III) programs, RobecoSAM requires its private equity investment managers to be excluded from investments in portfolio companies with their main business activities in:

Manufacturing and trade of weapons;  
Fur production;  
Tobacco production;  
Adult entertainment.

Such exclusion can be done by the private equity fund manager by amending the investment mandate of its private equity fund, or by entering into an agreement, allowing RobecoSAM to be excused from investments in portfolio companies being active in such industry sectors. Private equity fund managers that refuse a priori to excuse investors from these sectors will be excluded from investment by RobecoSAM.

The Robeco Principles for Responsible Private Equity are a tailor-made application of the UN PRI, specifically for private equity. Private equity fund managers that apply the Principles are essentially making the following commitments:

- a) Implement ESG criteria in their investment policies and ownership practices;
- b) Encourage underlying portfolio companies to adhere to ESG standards (notably the UN Global Compact);
- c) Report annually on the investee fund's ESG efforts; and
- d) Actively share and exchange experiences in this field with RobecoSAM and other interested parties.

Key in the RobecoSAM Private Equity responsible investment strategy is the engagement approach, whereby RobecoSAM enters into an active dialogue with its fund managers on environmental, social and governance (ESG) issues, their relevance for private equity investments and their implementation in investment processes. The engagement process is implemented in cooperation with the Sustainability department of Rabobank.

SAM 02	Mandatory	Core Assessed	PRI 4
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### SAM 02.1

Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.

- ☐ Yes  
☒ No

<b>SAM 02.4</b>	Additional information. [Optional]
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Selection of external managers is done entirely in-house.

<b>SAM 03</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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<b>SAM 03.1</b>	Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring
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Select all that apply

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Private equity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

<b>SAM 03.2</b>	Additional information. [Optional]
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Sustainability factors are considered in the selection, appointment and monitoring of investment managers for all RobecoSAM's Private Equity strategies. Among others, external PE managers are asked to provide information on their ESG approach in the selection (and monitoring) phase and the progress thereof.

When appointed, external managers commit to Robeco's Principles for Responsible Private Equity.

## Private equity (PE), property (PR) and infrastructure (INF) - non-listed assets

### Selection

<b>SAM 10</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1-6</b>
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<b>SAM 10.1</b>	Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:
-----------------	---

General
---------

	PE		
Review the manager's/general partner's responsible investment policy	<input checked="" type="checkbox"/>		
Discuss the manager's governance and management of responsible investment	<input checked="" type="checkbox"/>		
Meet staff with responsible investment responsibilities to assess their skills and competence	<input checked="" type="checkbox"/>		
Discuss minimum responsible investment expectations that managers must meet	<input checked="" type="checkbox"/>		
Discuss the role managers have played in collaborative initiatives	<input checked="" type="checkbox"/>		
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input checked="" type="checkbox"/>		
Assess the external manager's reporting and how it will help you to monitor that it is acting consistent with the agreed-upon ESG-related policies and practices during the life of the fund	<input checked="" type="checkbox"/>		
Review the manager's responsible investment disclosure, including PRI reporting	<input checked="" type="checkbox"/>		
Assign specific weighting to ESG factors in your manager evaluation	<input checked="" type="checkbox"/>		
Other general aspects in your selection process, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

#### Investment selection (pre-investment) of underlying holding

	PE		
Assess the manager's policies, processes and systems for identifying ESG-related value drivers and managing material ESG-related risks pre-investment	<input checked="" type="checkbox"/>		
Other pre-investment aspects reviewed in your selection process, specify	<input checked="" type="checkbox"/>		
None of the above	<input type="checkbox"/>		

#### Investment monitoring (post-investment) of underlying holding

	PE		
Understand if and how the manager influences and supports its portfolio companies'/assets' management of ESG-related risks and pursuit of ESG-related opportunities	<input checked="" type="checkbox"/>		
Discuss examples of how managers have previously identified and addressed ESG issues in their portfolios on an ongoing basis	<input checked="" type="checkbox"/>		
Assess the manager's/general partner's approach to managing and disclosing material incidents at the manager / General Partner and underlying holdings	<input checked="" type="checkbox"/>		
Other post-investment aspects reviewed in your selection process, specify	<input checked="" type="checkbox"/>		
None of the above	<input type="checkbox"/>		

If you select any 'Other' option(s), specify

Ad: "Investment selection (pre-investment) of underlying holding":

Plans and intentions of a GP to implement responsible investment- related policies and integrate ESG analysis in its investment process.

Ad: "Investment monitoring (post-investment) of underlying holding":

Assess the manager's process for monitoring ESG risks in portfolio companies and monitoring and reporting on ESG-related KPIs.

#### SAM 10.2

Provide additional information relevant to your organisation's selection approach for non-listed assets. [Optional]

The characteristics of the selection process described above refer to the Robeco Sustainable Private Equity, Robeco Responsible Private Equity and Robeco Clean Tech / Clean Growth Private Equity Programs

### Appointment

SAM 11	Voluntary	Additional Assessed	PRI 4
SAM 11.1	When appointing managers, indicate which of the following responsible investment considerations your organisation typically includes in agreements/fund formation contracts for your non-listed assets:		
	General		

	PE		
Acting in accordance with your organisation's overall investment beliefs or policy on responsible investment and ESG issues	<input checked="" type="checkbox"/>		
Other general RI considerations in your agreements, specify	<input checked="" type="checkbox"/>		
None of the above	<input type="checkbox"/>		

#### Investment selection (pre-investment) of underlying holding

	PE		
Specific requirements relating to how ESG issues are identified and managed in investment decision-making	<input type="checkbox"/>		
Other RI considerations relating to investment selection in your agreements, specify	<input type="checkbox"/>		
None of the above	<input checked="" type="checkbox"/>		

#### Investment monitoring (post-investment) of underlying holding

	PE		
Specific requirements relating to the manager supporting or influencing the underlying holdings' management of ESG factors	<input checked="" type="checkbox"/>		
Other RI considerations relating to investment monitoring in your agreements, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

#### Reporting



	PE		
Reporting on the agreed ESG implementation activities	<input checked="" type="checkbox"/>		
Reporting on the ESG characteristics of the portfolio	<input checked="" type="checkbox"/>		
Reporting on company incidents relating to ESG issues	<input type="checkbox"/>		
Reporting on the impact of ESG issues on financial performance	<input type="checkbox"/>		
Other RI considerations relating to reporting in your agreements, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

If you select any 'Other' option(s), specify

Ad: "General":

Commitment of the GP to participate in the annual Robeco ESG reporting and engagement process.

Robeco asks the GPs to subscribe and implement the Robeco Principles for Responsible Private Equity. Private equity fund managers that apply the Principles essentially commit to:

- a) Implement ESG criteria in their investment policies and ownership practices;
- b) Stimulate underlying portfolio companies to adhere to ESG standards (notably the UN Global Compact);
- c) Report annually on the investee fund's ESG efforts; and
- d) Actively share and exchange experiences in this field with Robeco and other interested parties.

#### SAM 11.2

Provide additional information relevant to your organisation's manager appointment process and considerations included in contractual agreements for non-listed assets.

RobecoSAM Private Equity enters into side letter agreements with each of its GP in which the GP agrees that:

RobecoSAM has informed it of the United Nations' Principles for Responsible Investment and the General Partner or its parent entity will formally subscribe to the UNPRI;  
it will request that its Portfolio Companies engage and complete a questionnaire on Sustainability Investing in a format which is appropriate given the limited business scope of the relevant Portfolio Companies;  
and each year the Fund Manager will complete the RobecoSAM questionnaire on Sustainability Investing, which is the basis for the annual engagement process on ESG.

The characteristics of the Appointment process described above refer to the Robeco Sustainable Private Equity, Robeco Responsible Private Equity and Robeco Clean Tech / Clean Growth Private Equity Programs.

## Monitoring

SAM 12

Mandatory

Core Assessed

PRI 1-6

**SAM 12.1**

Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager, typically do any of the following:

**General**

	PE		
Include responsible investment as a standard agenda item at performance review meetings	<input checked="" type="checkbox"/>		
Highlight examples of good responsible investment practice by other managers	<input checked="" type="checkbox"/>		
Review manager's responsible investment reporting, for example PRI-generated responsible investment reports	<input checked="" type="checkbox"/>		
Encourage your managers to consider joining responsible investment initiatives or organisations or participate in collaborative projects with other investors	<input checked="" type="checkbox"/>		
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input checked="" type="checkbox"/>		
Request information on whether your manager's approach to ESG issues has impacted financial performance	<input checked="" type="checkbox"/>		
Request information on whether your manager's approach to ESG issues has impacted ESG performance	<input checked="" type="checkbox"/>		
Other general aspects of your monitoring, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

**Investment selection (pre-investment) of underlying holding**

	PE		
Discuss how the analysis of ESG issues affected investment decisions during the reporting period	<input checked="" type="checkbox"/>		
Other ways ESG issues are incorporated in the pre-investment process, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

**Investment monitoring (post-investment) of underlying holding**

	PE		
Request reports on the ESG characteristics of the manager's underlying holdings and discuss related developments that may impact holdings in the fund	<input checked="" type="checkbox"/>		
Request examples of ESG issues identified within the portfolio and action taken in response	<input checked="" type="checkbox"/>		
Request details of how ESG factors were considered when preparing to exit from investments	<input type="checkbox"/>		
Other ways ESG issues are monitored in the post-investment process, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

If you select any 'Other' option(s), specify

Ad: "Investment monitoring (post-investment) of underlying holding":

In addition to the items mentioned above, RobecoSAM PE specifically asks whether and how the GP monitors ESG-related KPIs in its portfolio companies as part of its annual ESG questionnaire.

#### SAM 12.2

Provide additional information relevant to your organisation's dialogue and monitoring of external managers. [Optional]

The characteristics of the monitoring process described above refer to the Robeco Sustainable Private Equity, Robeco Responsible Private Equity and Robeco Clean Tech / Clean Growth Private Equity Programs. Key in the RobecoSAM PE responsible, sustainable and clean tech (III) investment strategy is the engagement approach, whereby RobecoSAM PE enters into an active dialogue with its fund managers on ESG issues, their relevance for private equity investments and their implementation in investment processes. The engagement process as described below is implemented in cooperation with the Sustainability department of Rabobank.

Before committing to a private equity fund, next to standard investment, legal and fiscal due diligence, RobecoSAM PE seeks answers to the following items:

- Does the manager subscribe to some form of responsible investing framework or set of principles/ practices for responsible business?
- Does the manager have explicit responsible investment policies?
- Is there a person/ function/ committee that is explicitly responsible for ESG?
- Internal ESG knowledge vs External (consultants, research relationships, etc)
- Are ESG issues integrated into the investment process? - How?
- Pre-investment - due diligence/ decision making
- Post-investment - ownership practices
- Does the manager have a monitoring system for ESG performance of its portfolio companies?
- Reporting by portfolio companies - frequency
- How does the manager communicate with LPs on its ESG policies and practices?

RobecoSAM PE circulates an Annual Responsible Private Equity Questionnaire ('Questionnaire') to the private equity fund manager. This Questionnaire consists of four sections: a general section focusing on overall fund policies and practices, followed by three more specific sections concentrating on Environmental, Social and Governance (ESG) issues and management. The questionnaire covers the following aspects:

- ESG strategy& policy: investment strategy and integration of responsible investment, with questions on the private equity fund's specific responsible private equity investment characteristics
- ESG policy implementation: implementation of ESG issues concerning the integration of the private equity fund's responsible investment strategy in its investment decision making process and the construction of its

portfolios

- ESG performance: impact of responsible investment and examples, detailing concrete results of responsible investment in terms of performance for both the portfolio companies and the private equity fund
- Review and next steps: looking into the private equity fund's next steps with responsible investment and the expected results on the fund's performance and portfolio companies

RobecoSAM PE assesses these different ESG criteria (indicators), and calculates a weighted average score for each private equity fund in its Sustainable Private Equity, Responsible Private Equity II portfolio and Clean tech III program. The score is plotted as a graph that is part of the ESG Fund Factsheet, which shows how a particular fund scores relative to the peers in the engagement universe and over time. The annual assessment forms a basis for the engagement with the GPs on how they incorporate ESG analysis in their investment process. A standardized and comprehensive assessment framework enables RobecoSAM PE to quantify, compare and benchmark the ESG performance of private equity funds, which can help the latter to monitor their own progress and identify areas for improvement. Based on the assessment results, RobecoSAM PE provides fund-specific recommendations on how ESG analysis can be better or further integrated in the investment process of the GPs. These recommendations are discussed with the GPs during the annual engagement call.

## Outputs and outcomes

SAM 14	Mandatory to Report Voluntary to Disclose	Descriptive	PRI 1-6
SAM 14.1	Indicate approximately what percentage (+/- 10%) of your externally managed assets are managed by PRI signatories.		
	%		
30			
SAM 14.2	Additional information. [Optional]		
RobecoSAM PE works with a range of smaller PE managers that are specialized in clean tech and resource efficiency investing. They typically invest in small(er) companies that focus on products and services with a positive environmental impact. Due to their size and limited resources they often choose not to become a PRI signatory while they nonetheless integrate ESG analysis in their investment process.			

## Communication

SAM 16	Mandatory	Core Assessed	PRI 6
<b>SAM 16.1</b>	Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.		
	<input checked="" type="radio"/> Yes, we disclose information publicly		
	provide URL		
	<a href="http://www.robecosam.com/images/Responsible_Investing_in_Private_Equity.pdf">http://www.robecosam.com/images/Responsible_Investing_in_Private_Equity.pdf</a>		

provide URL

<http://www.robecosam.com/en/professionals/strategies-services/private-equity/index.jsp>

**SAM 16.2**

Indicate if the level of information you disclose to the public is the same as that disclosed to clients and/or beneficiaries.

- ☐ Yes  
☒ No

**SAM 16.3**

Indicate what type of information your organisation proactively discloses to the public and clients and/or beneficiaries about your indirect investments.

Information	Public	Clients/beneficiaries
How responsible investment considerations are included in manager selection, appointment and monitoring processes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Details of the responsible investment activities carried out by managers on your behalf	<input type="checkbox"/>	<input checked="" type="checkbox"/>
E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other, specify below	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

If you select 'Other', specify

RobecoSAM PE distributes its annual PE ESG engagement report among GPs participating in its engagement process to share ESG best practices.

- ☐ Yes, we disclose information to clients/beneficiaries only  
☐ We do not proactively disclose information to the public and/or clients/beneficiaries

**SAM 16.4**

Additional information. [Optional]

In addition to its annual ESG engagement report, RobecoSAM PE includes an ESG section in its quarterly newsletter to investors.

# RobecoSAM AG

## Reported Information

### Public version

#### Direct - Listed Equity Incorporation

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

LEI 02	Voluntary	Descriptive	PRI 1
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LEI 02.1	Provide a brief overview of how you incorporate ESG issues into listed equity investments.
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Our sustainability insights add value at different stages of the investment process. RobecoSAM's sustainability expertise is therefore integrated with financial and competitive analysis when identifying investment opportunities, determining companies' intrinsic value and selecting portfolio holdings.

More specifically, for all investment strategies managed by RobecoSAM, we use sustainability considerations to define the investment universe and focus our fundamental analysis on a pool of companies that have demonstrated superior sustainability performance compared to their peers. For the sustainability core strategies (Global and European strategies), we select the most attractive sectors and within these sectors, we select the sustainability leaders that present an attractive valuation. This opportunity set is assessed through in depth fundamental analysis, in which we integrate the company's sustainability scores and insights in our financial analysis to estimate the stock's fair value and support our investment cases. For the sustainability theme strategies (e.g Water, Smart Materials, Healthy Living), we define the eligible universe by identifying companies that respond to the sustainability challenges related to the respective theme through their services and products. In portfolio construction, we monitor and manage sustainability risks actively through our ongoing Media and Stakeholder Analysis.

In 2014 RobecoSAM launched the Quant Sustainable Global Equities Strategy, in cooperation with Robeco, which offers investors exposure to global equities close to that of the MSCI World, with an improved sustainability and risk-return profile. The strategy builds a diversified portfolio in which companies with strong sustainability performance (80% weight) and attractive valuation and sentiment characteristics (20%) are overweighted relative to the benchmark, while companies with less attractive sustainability profiles are underweighted.

RobecoSAM's sustainability insights are also integrated in the investment processes of all actively-managed listed equity and fixed income strategies managed by Robeco Institutional Asset Management.

## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
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LEI 03.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.
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#### ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☒ Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	<div> <div></div> <div>%</div> </div> 40
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- ☐ Thematic + integration strategies  
☐ Screening + thematic strategies  
☒ All three strategies combined

Percentage of actively managed listed equities to which each strategy or combination of strategies is applied - you may (estimate +/- 10%)	<div> <div></div> <div>%</div> </div> 60
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- ☐ No incorporation strategies applied

	Total actively managed listed equities
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100%

<b>LEI 03.2</b>	Describe your primary reasons for choosing a particular ESG incorporation strategy.
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Sustainability investing consists of activities, products and services that systematically integrate material, non-financial criteria into traditional financial analysis and investment processes.

Sustainability is a company's capacity to prosper in a hyper-competitive and changing global business environment by:

anticipating and managing current and future economic, environmental and social opportunities and risks and; focusing on quality, innovation and productivity to create competitive advantage and long-term value.

We believe that this approach leads to better-informed investment decisions, mitigates risk and provides long-term investment exposure.

<b>LEI 03.3</b>	Where assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]
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For our sustainability core strategies, we use positive screening and integration. We select the most attractive sectors and screen the sectors to select the sustainability leaders which present attractive valuation factors. These companies are then analysed in-depth via our valuation model. The valuation model systematically integrates the sustainability scores and insights derived from our annual RobecoSAM Corporate Sustainability Assessment. The assessment has been developed over 15 years and its results also serve as a base for the construction of the Dow Jones Sustainability Indices (DJSI).

For the sustainability theme strategies, we use positive screening and a thematic approach. We screen the investment universe to identify companies that through their services and products respond to the sustainability challenges related to the respective theme. On these companies, we perform a fundamental stock analysis that integrates sustainability considerations.

For both, core and theme strategies, portfolio construction is based on the portfolio manager's selective decisions that focus on a high conviction portfolio of companies with attractive valuation and sound economic fundamentals, while optimizing the risk/return profile.

All RobecoSAM's strategies also comply with the Robeco Exclusion Policy: (<http://www.robeco.com/images/robecos-exclusion-policy.pdf>)

<b>LEI 04</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**Type of ESG information**

- ☒ Raw ESG company data

**Indicate who provides this information**

- ☐ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Company-related analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Sector-related analysis or ratings

**Indicate who provides this information**

- ☐ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Country-related analysis or ratings

**Indicate who provides this information**

- ☐ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Screened stock list

**Indicate who provides this information**

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ ESG issue-specific analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☐ Other, specify

<b>LEI 04.2</b>	Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.
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Raw ESG Data is collected via the annual RobecoSAM Corporate Sustainability Assessment. RobecoSAM has a specialized SI analyst team, organized by sectors, that is responsible for the development of the assessment methodology, identification of financially material sustainability factors, company-specific sustainability analysis and country-related sustainability analysis.

RobecoSAM's equity analysts are responsible for the analysis of sub-industry cluster attractiveness which includes the impact of sustainability trends and for the fundamental stock analysis (which is based on an economic profit model that integrates sustainability performance). The equity analysts are also responsible for specific sectors. The external data provider for reputational risk analysis is RepRisk.

For client-specific mandates and a subset of the Dow Jones Sustainability Indices, RobecoSAM applies industry-related exclusions such as gambling, alcohol or pornography. For the screening of all investment universes and the application of additional respective filters, RobecoSAM works with the specialized research provider EIRIS.

<b>LEI 04.3</b>	Indicate if you incentivise brokers to provide ESG research.
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☒ Yes

<b>LEI 04.4</b>	Describe how you incentivise brokers.
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The quality of their research on sustainability themes or their ability to integrate sustainability factors in company-specific analysis is one of the criteria that influences our brokers voting process.

☐ No

## (A) Implementation: Screening

<b>LEI 06</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>LEI 06.1</b>	Indicate and describe the type of screening you apply to your internally managed active listed equities.
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### Type of screening

- ☒ Negative/exclusionary screening

### Screened by

- ☒ Product
- ☒ Activity
- ☐ Sector
- ☒ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

	Description
	<p>RobecoSAM can apply ethical filters for customized segregated mandates of sufficient size.</p> <p>All RobecoSAM strategies comply with Robeco's Exclusion Policy, which consists of two approaches</p> <p>I. Black list. A group Wide Mandatory Exclusion Policy on Controversial countries and Controversial weapons</p> <p>II. Grey list. A group Wide Avoidance Policy for disputable listed companies (i.e. Breaches of United Nation Global Compact (UNGC) principles after an active engagement.</p> <p>I. Black list (Controversial countries and Controversial weapons)</p> <p>Controversial countries: Exclusion is applied to countries that systematically violate the fundamental human rights of civilians. This is informed by UN, European Union and US sanctions.</p> <ul style="list-style-type: none"> <li>• Robeco will not invest through any of the Robeco-governed mutual and institutional funds in sovereign bonds issued by states which are subject to sanctions (comprising embargoes on arms, financial and travel restrictions) from the United Nations Security Council and/or the European Union and/or the United States, nor will we provide financial services to such states and/or their central banks.</li> <li>• Robeco will not invest through any of the Robeco-governed mutual and institutional funds in securities of listed companies which are involved in the production or trade of conventional or controversial weapons provided to states which are subject to sanctions (comprising embargoes on arms, financial and travel restrictions) from the United Nations Security Council and/or the European Union and/or the United States, nor will we provide financial services to such companies.</li> </ul> <p>Controversial weapons: Exclusion is applied to listed companies that are manufacturers of certain products that do not comply with broadly accepted international treaties, in particular treaties on controversial weapons. Robeco follows the Ottawa Treaty on anti-personnel mines, the Convention on Cluster Munitions, the Chemical Weapons Convention, the Biological Weapons Convention and the Treaty on the Non-Proliferation of Nuclear Weapons. The Treaty on the Non-Proliferation of Nuclear Weapons implies that companies are only allowed to deliver nuclear weapons to the so-called Nuclear-Weapons States (United States of America, Russia, United Kingdom, France and China).</p> <p>Robeco deems anti-personnel mines, cluster munitions, chemical, biological weapons and nuclear weapons to be controversial weapons. Production of and trade in these types of weapons are forbidden (with the exception of nuclear weapons produced for and/or delivered to Nuclear Weapons States) by treaties signed by a wide range of countries, or are forbidden by local laws[1].</p> <p>Robeco will not invest through any of the Robeco-governed mutual and institutional funds in securities of listed companies that are producers of such weapons or of strategic parts thereof, or that gain revenues out of selling or transporting them. Listed Companies that produce essential parts of these weapons, i.e. parts produced only for those weapons and not serving multiple purposes, are assessed as involved in controversial weapons and excluded from our investments. Robeco will not exclude listed companies which are not involved in the production of and/or trade in controversial weapons themselves, but which are (partially) owned by companies which are. Robeco's exclusion policy on listed cluster munition companies is in line with Dutch law which, with effect from 1 January, 2013, bans investment in cluster munitions in the Netherlands. The ban applies to Robeco Institutional Asset Management B.V. and Robeco's Dutch and Luxembourg funds. The Dutch "Autoriteit Financiële Markten" (AFM) together with the financial sector (including Robeco) has drawn an indicative list of listed companies that are involved in cluster munition. This list is yearly reviewed and will be regarded as a risk radar (an alert system to check if a certain stock has been invested in).</p> <p>II. Grey list regarding disputable listed companies</p> <p>Robeco is an experienced thought leader when it comes to exercising shareholder responsibilities, and we have found dialogue to be a very useful instrument for influencing corporate behaviour. Robeco acts in accordance with the United Nations Global Compact (UNGC) to assess the behaviour of listed companies. An enhanced engagement process is applied to listed companies that have severe</p>

breaches of UN Global Compact principles. If this enhanced dialogue, which may last several years, does not lead to the desired change, Robeco can decide to exclude or avoid a listed company in its investment universe.

Systematic breach of United Nations Global Compact principles: The broadly accepted principles of the United Nations Global Compact require companies to embrace, support and adopt a number of core values within their own sphere of influence in the field of human rights, labor standards, the environment and anti-corruption measures. The grey list is composed of listed companies that

- 1.) Are considered to have structurally and severely breached -or still are breaching- the UN Global Compact,
- 2.) Have subsequently been part of a three year enhanced engagement by the Governance & Active Ownership (GAO) team and
- 3.) Did not show the requested improvements.

In applying grey list exclusions, we develop predetermined implementation rules for a certain set of portfolios to avoid inconsistencies and reduce complexity in compliance and communication.

☒ Positive/best-in-class screening

#### Screened by

- ☒ Product
- ☒ Activity
- ☒ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

	Description
	<p>For the sustainability core strategies, we use a "best in class" approach, which is based on our annual Corporate Sustainability Assessment (CSA), to identify the most sustainable companies in each attractive sector and create a focused investment opportunity set based on the starting universes. This includes an assessment of their corporate governance practices, as well as their environmental, social, economic performance. We continually monitor companies in our universe for their sustainability practices, and if necessary, we will downgrade their sustainability score, which in turn will have a negative effect on the overall valuation of the stock. This process is formally known as the Media and Stakeholder Analysis (MSA). The ongoing monitoring of media and stakeholder commentaries and other publicly available information leads to the creation of cases. Cases are created if a company has been the subject of a specific allegation that can harm its reputation, resulting in financial consequences ranging from lost business, lost customers and declining sales, to liabilities, litigation or fines.</p> <p>For the sustainability theme strategies, we create an investment universe that includes only "solutions-providers", i.e. companies that have a certain level of revenues derived from selling products and solutions that address a long-term sustainability challenge. This is based on an assessment of their sector, business activities and specific product ranges.</p>

☒ Norms-based screening

#### Screened by

- ☒ UN Global Compact Principles
- ☒ Universal Declaration of Human Rights
- ☒ International Labour Organization Conventions
- ☒ United Nations Convention Against Corruption
- ☒ OECD Guidelines for Multinational Enterprises
- ☐ Other, specify

	Description
	<p>The norms based screening that RobecoSAM applies to its internal funds and assets complies with Robeco Exclusion Policy. In addition, for relevant RobecoSAM theme funds and values based offerings must undergo further specialised screening.</p> <p>The Robeco Exclusion Policy which consists of two pillars:</p> <p>I. Black list. Group Wide mandatory Exclusion Policy on Controversial countries and Controversial weapons</p> <p>II. Grey list. Group Wide Avoidance Policy for disputable listed companies (i.e. Breaches of United Nation Global Compact (UNGC) principles after an active engagement).</p> <p>Regarding norms-based screening: ad II. Grey list regarding disputable listed companies</p> <p>Robeco is very experienced and a thought leader when it comes to exercising shareholder responsibilities, and dialogue has proven to be a useful instrument with which to influence corporate behaviour. Robeco acts in accordance with the UNGC to assess the behaviour of listed companies. An enhanced engagement process is applied to listed companies that have severe breaches of UNGC. If this enhanced dialogue, which may last several years, does not lead to the desired change, Robeco can decide to exclude or avoid a listed company in its investment universe.</p> <p>The broadly accepted principles of the UNGC require companies to embrace, support and adopt a number of core values within their own sphere of influence in the field of human rights, labor standards, the environment and anti-corruption measures. The grey list is composed of listed companies that:</p> <ol style="list-style-type: none"> <li>1.) Are considered to have structurally and severely breached -or still are breaching- the UNGC,</li> <li>2.) Have subsequently been part of a three year enhanced engagement by the Governance&amp; Active Ownership (GAO) team and</li> <li>3.) Did not show the requested improvements.</li> </ol> <p>RobecoSAM applies a variety of specialised norms based screens to listed equity investments mandates. For example, a conventional military weapons manufacture screen identifies those companies that derive significant revenues from the manufacture of weapon components and parts destined for combat use. RobecoSAM's agribusiness theme fund is also subject to a screen that evaluates agricultural and aquaculture practices. For example, indicators specifically assessing the production of biofuel and palm oil, as well sustainable forestry practices are included within the six modules. Additionally, all listed equity is screened to assess any involvement in nuclear weapons. Finally, values based offerings and specialised indices are available that exclude those companies involved in predetermined industries. For example, the Dow Jones Sustainability World Enlarged Index excluding Alcohol, Tobacco, Gambling, Armaments&amp; Firearms and Adult Entertainment excludes companies who generate revenue from alcohol, tobacco, gambling, armaments &amp; firearms, and/or adult entertainment.</p> <p>An integral part of RobecoSAM's norms based screening is the Media and Stakeholder Analysis (MSA). The ongoing monitoring of media and stakeholder commentaries and other publicly available information leads to the creation of cases. Cases are created if a company has been the subject of a specific allegation that can harm its reputation, resulting in financial consequences ranging from lost business, lost customers and declining sales, to liabilities, litigation or fines. Cases for companies of interest are reviewed by RobecoSAM analysts and if sufficiently serious, could be grounds for exclusion based on the process of the screen.</p>

**LEI 06.2**

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

Since the firm's foundation in 1995, RobecoSAM has been focusing on identifying and interpreting sustainability information, and translating it into investment opportunities. The negative and positive screening of companies on their sustainability performance forms the leading alpha driver of RobecoSAM's sustainability product offering.

First and foremost, RobecoSAM developed the annual Corporate Sustainability Assessment (CSA) in 1999 in order to identify companies that are better equipped to recognize and respond to emerging sustainability opportunities and challenges presented by global and industry trends.

This proprietary assessment framework is based on criteria that have been selected and formulated by RobecoSAM analysts. The annual RobecoSAM CSA is based on approximately 600 questions. The questions cover 125 criteria across 59 different industries, and lead to roughly 1000 collected data points per company.

Annual webcasts and presentations are used to detail changes to the CSA process which are made public via the RobecoSAM website.

Second, RobecoSAM uses a "best in class" approach based on the CSA to produce an investible starting universe for our core strategies. We continually monitor companies in our universe for their sustainability practices, and if necessary, we will downgrade their sustainability score, which in turn will have a negative effect on the overall valuation of the stock. RobecoSAM also creates a thematically investible universe based on companies that are defined as "solutions providers" who address long-term sustainability challenges. Our equity and SI Research analysts provide investment recommendations and base those decisions on screening criteria that have been established as best practice, and which are updated on a regular basis throughout the year. RobecoSAM makes available to the public its integration methods through a number of channels including the company website and annual Sustainability Yearbook.

Finally, RobecoSAM adheres to Robeco group policy regarding exclusion screening which includes guidelines on manufacture of controversial weapons, exclusion of government bonds from controversial countries, and exclusion of companies who violate the United Nations Global Compact principles. RobecoSAM additionally applies minimum standards in relation to firearms production (threshold 0%) and military sales (weapons, threshold 5%). This list is updated once a year or more (if necessary) and made available to the public via the Robeco website.

**LEI 07****Mandatory****Core Assessed****PRI 1****LEI 07.1**

Indicate which processes your organisation uses to ensure that screening is based on robust analysis.

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- ☐ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☒ Other, specify

An external audit of the assessment process is conducted every year. Please see:  
<http://www.sustainability-indices.com/images/independent-assurance-report-by-deloitte-AG-to-robecosam-ag-2014.pdf>

- ☐ None of the above

<b>LEI 07.2</b>	Additional information. [Optional]
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For the Corporate Sustainability Assessment, both publically available and company-provided information are used as inputs into the assessment.

For the Media and Stakeholder Analysis, the information provided by the external research provider (RepRisk) is reviewed and analysed by RobecoSAM analysts, with additional input from the companies.

The methodology and the ratings are reviewed and updated on an annual basis. Individual ratings can also be reviewed on a periodic basis, based on our ongoing Media and Stakeholder Analysis.

An external audit of the assessment process is conducted every year.

<b>LEI 08</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>LEI 08.1</b>	Indicate which processes your organisation uses to ensure that fund criteria are not breached
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☒ Checks are performed to ensure that stocks meet the funds' screening criteria. These checks are:

☒ Systematic

☐ Occasional

☒ Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.

☒ Audits of fund holdings are undertaken regularly by internal audit function

☒ Other, specify

Continuous monitoring of products and mandates takes place by the Financial Risk Manager who is also responsible for verifying adherence to our investment policies.

☐ None of the above

<b>LEI 08.2</b>	If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.
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RobecoSAM uses Charles River Development (CRD) system for portfolio management purposes. Pre-trade compliance is automatically handled through the compliance modules of CRD, which report on breaches of guidelines. Hard and soft breach coding is programmed directly into CRD, in line with the relevant investment guidelines. Exclusions are also programmed in the front-end tool, ensuring compliance with Robeco's Exclusion Policy. Any potential breaches generate an automated alert to portfolio managers and the Legal and Compliance Department before the trade is executed, preventing the execution of any trades that would result in a compliance breach. Overriding of hard constraints is impossible.

However, should a compliance breach be identified, it will immediately be communicated to the client. This is carried out by the responsible Client Relationship manager, in cooperation with the responsible portfolio manager and RobecoSAM's Legal and Compliance department. Corrections will be made in agreement with the client.

The Group internal audit department periodically assesses the effectiveness of the process outlined above in LEI 8.1 with regards to the Financial Risk Manager.

## (B) Implementation: Thematic

<b>LEI 09</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**LEI 09.1**

Indicate the type of sustainability thematic funds or mandates that your organisation manages.

- ☒ Environmentally themed funds
- ☒ Socially themed funds
- ☒ Combination of themes

**LEI 09.2**

Describe your organisation's processes for sustainability themed funds. [Optional]

Based on global sustainability trends, RobecoSAM has identified "Sustainability Themes" such as Water, Energy, Resource Efficiency, Healthy Living and Agribusiness. These investment themes are translated into single and multi-thematic portfolios which often contain a high portion of small and mid-sized companies with attractive valuations. The focus lies on companies that develop and market innovative products and services accompanying the emergence of new sectors that are expected to experience above-average growth. As such, sustainability theme investing offers investors attractive return potential.

**(C) Implementation: Integration of ESG issues****LEI 10**

Voluntary

Descriptive

PRI 1

**LEI 10.1**

Describe how you integrate ESG factors into investment decision making processes.

At RobecoSAM, we have always pursued integration in accordance with Eurosif's definition, by conducting analysis that focuses on the impact of sustainability on a company's financial bottom line and thereby the investment case. Rather than shying away from an analysis of a company's long-term prospects, we believe sustainability information is essential to evaluating the quality of a company's management, which will endure short-term changes in the economic cycle far beyond the next three years. The view of the company's sustainability performance combined with an analysis of its long-term strategy, and an evaluation of its corporate governance and incentive structures tied to longer-term goals are key elements of our approach to long-term investment analysis, which is a critical component of the valuation process itself.

In essence, the sustainability information is incorporated into the financial model in order to make a clear and explicit adjustment to the company's fair value. While this approach may not cover all sustainability topics on which companies report, it nonetheless provides a much more focused and in-depth analysis of those topics that are considered to be the most financially relevant for each industry, which in turn helps to make the investment case for sustainability.

The direct integration of sustainability considerations into the financial model itself has several important advantages over the common approaches of sustainability screening:

1. It addresses the trade-off between financial projections and the company's sustainability performance. Portfolio managers often face the dilemma of investing in companies that may seem attractive from a financial perspective but whose sustainability performance is weak, or vice versa. This can lead to inconsistent investment decisions or can compromise either the sustainability or financial performance of the portfolio. Only by combining both views in the research process can investors have a clear view of the company's fair value.
2. Sustainability integration overcomes the tension between short-term and long-term sources of value. Investors are constantly confronted with a flood of daily short-term information that can cloud the assessment of a company's true long-term value. A combined valuation that accounts for both current financial data and the long-term risks and opportunities arising from sustainability factors can help portfolio managers to maintain clarity on the company's long-term value.
3. Integration supplements a weakness in many financial models that fail to employ clearly differentiated views on the long-term financial assumptions in the model. Not only does this mean that short-term performance has an overly important impact on fair values, it also fails to account for many of the unique aspects of a company's long-term strategy and performance, which should be better reflected in the longer-term assumptions that are fed into the model. By accounting for the sustainability performance of a company, it becomes possible to clarify the long-term risks and opportunities facing a company, which in turn allows for more nuanced and better-informed assumptions when modelling future cash flows, expenses and risks.

For sustainability core strategies, we narrow down the investment universe by identifying the most attractive sub-industries. We screen each sub-industry to select the sustainability leaders which exhibit attractive



valuation and where we anticipate above average growth. These companies are analysed in depth via our valuation model. The valuation model fully integrates the sustainability scores and insights derived from our annual RobecoSAM Corporate Sustainability Assessment.

For the sustainability theme strategies, we screen the investment universe to identify companies that through their services and products offer solutions to the sustainability challenges related to the respective theme. On these companies, we perform a fundamental stock analysis that integrates sustainability considerations.

The RobecoSAM fair value is based on a fundamental long-term approach using an economic profit model.

Please see 'From theory to practice: integrating sustainability into financial valuation', from the 2015 annual RobecoSAM Sustainability Yearbook (<http://yearbook.robecosam.com/from-theory-to-practice.html>) for further information on our ESG integration process.

LEI 11	Mandatory	Core Assessed	PRI 1
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LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

LEI 11.2	Additional information. [Optional]
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The RobecoSAM Corporate Sustainability Assessment considers environmental, social and economic factors (ESE). Governance is one of the criteria assessed within the economic dimension, but the management of other long-term intangible assets of the firm (e.g. Innovation Management, Customer Relationship Management, Brand Management) as well as other industry-specific issues (e.g. Emerging Markets Growth Strategy) are also assessed to determine the long-term competitiveness of the firm.

LEI 12	Voluntary	Additional Assessed	PRI 1
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**LEI 12.1**

Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Company information and/or ratings on ESG are updated regularly
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

**LEI 12.2**

Describe how ESG information is held and used by your portfolio managers.

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☒ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☒ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

**LEI 12.3**

Additional information.

RobecoSAM's proprietary methodology was developed over the past 16 years. Sustainability data, scores and insights resulting from the RobecoSAM Corporate Sustainability Assessment of over 3'000 companies are stored in RobecoSAM's proprietary database. The scores from the sustainability assessment are accessible to all members of the investment team and enables the construction of investment universes for all standardized and customized products, including the family of Dow Jones Sustainability Indices.

The complete stock valuation model is accessible to the investment staff and systematic records of the valuation model are kept. The sustainability score is explicitly incorporated into the model.

**LEI 13****Mandatory to Report Voluntary to Disclose****Core Assessed****PRI 1**

**LEI 13.1**

Indicate into which aspects of investment analysis you integrate ESG information.

- ☒ (Macro) economic analysis
  - ☐ Systematically
  - ☒ Occasionally
- ☒ Industry analysis
  - ☒ Systematically
  - ☐ Occasionally
- ☒ Analysis of company strategy and quality of management
  - ☒ Systematically
  - ☐ Occasionally
- ☒ Idea generation
  - ☒ Systematically
  - ☐ Occasionally
- ☒ Portfolio construction
  - ☒ Systematically
  - ☐ Occasionally
- ☒ Fair value/fundamental analysis
  - ☒ Systematically
  - ☐ Occasionally

**LEI 13.2**

Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis.

- ☒ Adjustments to income forecasts (sales, earnings, cash flows)
- ☒ Adjustments to valuation tools (discount rates, return forecasts, growth rates)
- ☒ Other adjustments to fair value projections, specify
  - 1) other value drivers including capital expenditures and liabilities
  - 2) analysis of industry competitiveness (within and across industries)
- ☐ Other, specify

**LEI 13.3**

Additional information.

RobecoSAM believes that the total corporate sustainability score derived from the RobecoSAM Corporate Sustainability Assessment is a good proxy for management quality, which encompasses the company management's ability to mitigate risks and seize business opportunities. Corporate sustainability performance will thus affect revenues, costs, reinvestment rates and cost of capital. Therefore, RobecoSAM integrates corporate sustainability performance in the valuation model. Companies with a high sustainability score will enjoy a higher return on invested capital and/or a lower cost of capital, thus deserving a higher RobecoSAM Fair Value.

**ESG incorporation in passively managed listed equities****LEI 14****Mandatory to Report Voluntary to Disclose****Descriptive****PRI 1**

**LEI 14.1**

Indicate if you manage passive listed equity funds that incorporate ESG issues in the index construction methodology.

☒ Yes**LEI 14.2**

Indicate the percentage of your total passive listed equity funds for which ESG issues are incorporated in the index construction methodology.

(% of total passive listed equity funds)

- ☐ <10%
- ☐ 10-50%
- ☐ 51-90%
- ☒ >90%

**LEI 14.3**

Specify index/fund name, provide a brief description of ESG methodology and indicate which of the following ESG incorporation strategies you apply.

☒ Index/fund 1

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
DJSI World and DJSI Regional indices: <a href="http://www.sustainability-indices.com/index-family-overview/djsi-family-overview/index.jsp">http://www.sustainability-indices.com/index-family-overview/djsi-family-overview/index.jsp</a>	<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

☒ Index/fund 2

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
DJSI Diversified indices: <a href="http://www.sustainability-indices.com/index-family-overview/djsi-diversified-family-overview/index.jsp">http://www.sustainability-indices.com/index-family-overview/djsi-diversified-family-overview/index.jsp</a>	<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

☐ Index/fund 3☐ Index/fund 4☐ Index/fund 5☐ No**Outputs and outcomes****LEI 15****Voluntary****Descriptive****PRI 1**

**LEI 15.1**

Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

☒ Screening

Describe any reduction in your starting investment universe or other effects.

RobecoSAM sustainability expertise is integrated at different stages of the investment process.

First, the Robeco Exclusion List is applied to the investible universe. There are currently 8 companies which have been excluded from the Group's investment strategies. From a market cap perspective, these companies make up less than 1% of the entire initial universe of RobecoSAM's sustainability core strategies.

Second, the investment universe is further narrowed down by applying a screen combining RobecoSAM analysts' strategic views on industry groups and company-specific sustainability performance.

Within their sector responsibilities, analysts carry out an industry analysis to identify attractive clusters of companies, based on their positioning in the competitive environment (e.g. value chain analysis, demand drivers analysis, exposure to end markets) and their positioning with regard to long-term trends impacting the sector.

The outcome of the industry analysis is a separation of an industry into different industry clusters of similar business characteristics. Subsequent to the top-down fundamental analysis, companies are rated as attractive, neutral or unattractive. Companies are then ranked based on their sustainability performance (as measured by RobecoSAM's Corporate Sustainability Assessment) relative to the rest of the companies in the industry.

Specify the percentage reduction

%

1

☒ Thematic

Describe any alteration to your investment universe or other effects.

The construction of the thematic universe is based on the long-term sustainability challenge that is addressed by the theme and the companies' exposure to the theme, measured by the percentage of revenues the companies derive from selling products or services that address the specific sustainability challenge.

☒ Integration of ESG issues

Select which of these effects followed your ESG integration:

- ☒ Reduce or prioritise the investment universe
- ☐ Overweight/underweight at sector level
- ☒ Overweight/underweight at stock level
- ☒ Buy/sell decisions
- ☐ Other, specify
- ☐ None of the above
- ☐ Index incorporating ESG issues (for passively managed funds)

<b>LEI 15.2</b>	Additional information.
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For the sustainability core strategies, the investment universe is prioritised based on the attractiveness of the sub-industries, the sustainability performance of the companies and their valuation. The integration of our sustainability analysis and insights in company-specific fundamental analysis also affects the analysts' investment recommendations, the portfolio managers' buy/sell decisions as well as the size of the holding in the portfolio.

<b>LEI 16</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>LEI 16.1</b>	Indicate whether your organisation measures how your approach to ESG issues in Listed Equity investments has affected financial and/or ESG performance.
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☒ We measure whether our approach to ESG issues impacts funds' financial performance

Describe the impact on:	Impact	Strategies considered
<b>Funds' financial performance</b>	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Integration <input checked="" type="checkbox"/> Thematic <input type="checkbox"/> Index construction (passively managed funds)

☒ We measure whether our approach to ESG issues impacts funds' risk or volatility

Describe the impact on:	Impact	Strategies considered
<b>Funds' risk or volatility</b>	<input checked="" type="radio"/> Reduced risk or volatility <input type="radio"/> Increased risk or volatility <input type="radio"/> No impact	<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Thematic <input type="checkbox"/> Index construction (passively managed funds)

☒ We measure whether our approach to ESG issues impacts funds' ESG performance

Describe the impact on:	Impact	Strategies considered
<b>Funds' ESG performance</b>	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact	<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Thematic <input type="checkbox"/> Index construction (passively managed funds)

☐ None of the above

**LEI 16.2**

Describe how you are able to determine these outcomes.

Within the scope of RobecoSAM's themes funds companies are considered within a defined value chain. In order to monitor the financial and ESG performance we first look at the companies that offer products and services that address long term sustainability challenges are well positioned to benefit from secular growth trends. All companies that form the initial universe contribute positively sustainability challenges. Eligibility of the universe is also measured by a minimum exposure to theme of 20% of revenues for individual companies. We add market relevance and growth potential. In total the funds need to have minimum exposure to theme of 50% of revenues for portfolio. We share this via Sustainability insights. Lastly, we verify and measure the portfolio performance with our Strategic Theme Reference (STR). Based on all companies that are eligible for the investment universe, RobecoSAM constructs a STR portfolio. This STR is a representative replication of the universe of stocks in which the theme can invest and has the following objectives:

- Create a strategic insight into the risk return profile of the theme versus the global equity index
- Create a risk monitoring tool of the actual positioning of the portfolio versus the universe of stocks from which the active portfolio is selected
- Create a basis for the attribution of portfolio performance against a relevant reference

The STR is constructed using an adjusted market capitalization methodology. RobecoSAM has been tracking the long term performance of all assets per strategy including the theme funds. For example, Sustainable Water has been tracked since its inception in 2001, whilst Sustainable Agribusiness has been tracked since its inception in 2010.

Within the core portfolio, we have a dedicated team which measures the impact of sustainability on the performance of companies' financial performance, which encompasses understanding its impact in terms of both outperformance and risk reduction. This research directly informs our sustainability assessment methodology and the use of our sustainability scores in the investment process. We have also worked with the quantitative research teams at Robeco to understand the positive impact of sustainability on financial performance, and we have publicly published these results in the study, "Alpha From Sustainability", which is available here: [http://www.robecosam.com/images/Alpha\\_from\\_Sustainability\\_06\\_2014.pdf](http://www.robecosam.com/images/Alpha_from_Sustainability_06_2014.pdf).

Furthermore, companies are benchmarked against themselves year-on-year across a multitude of environmental indicators including benchmarking of carbon emissions such as direct GHG emissions (Scope 1 & 2) in our annual Corporate Sustainability Assessment, which in 2014 assessed 3000 companies.

With regards to risk, RobecoSAM's analysis and integration of ESG leads to a bias towards high quality stocks over the long-term. Such stocks are usually characterised by less volatility compared to lower quality peers.

To ensure relevance of our ESG metrics, field research is conducted at international trade fairs, trade exhibitions and separately academic collaborations with leading universities continue to substantiate our view on the market with a particular emphasis on sustainability mega-trends. An example of an academic collaboration from 2014 is "The Impact of a Corporate Culture of Sustainability on Corporate Behavior and Performance" written in conjunction with the Harvard Business School Organizational Behavior Unit (Cambridge, USA). This combined set of research cooperation provides additional information for our investment approaches with regards to the core portfolio.

Finally, RobecoSAM is able to evaluate the environmental impact of our clients and our own portfolios. RobecoSAM's Environmental Impact Monitoring helps quantify the impact of investor's portfolio's on four of the most salient environmental indicators and meets the needs of those investors who are interested in impact investing. For example, GHG emissions including scope 1 and 2, energy consumption within and outside of the organisation, the water usage including water discharge and associated quality levels, as well as waste generation of the investment in question. RobecoSAM believes that this information leads to improved investor decision making and minimises the negative impacts of investments as they stand.

**LEI 17****Voluntary****Descriptive****PRI 1****LEI 17.1**

Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.

☒ ESG issue 1

ESG issue and explanation
<p>Through detailed discussions with a Swedish bank, RobecoSAM's SI Research analysts derived a more detailed understanding of the central role of sustainability and innovative risk management in the company's strategy and financial success. In addition, RobecoSAM's equity analyst in Zurich, as well as the fixed income and equity analysts in Rotterdam, were involved in the discussions and endorsed the analysis and its findings.</p>
ESG incorporation strategy applied
<p> <input type="checkbox"/> Screening  <input type="checkbox"/> Thematic  <input checked="" type="checkbox"/> Integration  <input type="checkbox"/> Combination of ESG incorporation strategies  <input type="checkbox"/> Index incorporating ESG issues         </p>
Impact on investment decision or performance
<p>This analysis of the management processes has led to a stronger conviction regarding the company's positioning and strengthened the view of the company as a long-term positive holding for our core strategy.</p>

☒ ESG issue 2

ESG issue and explanation
<p>A well-known IT Services and Internet Software company introduced a c-share class with no voting rights in 2014, which further weakened the already poor corporate governance structure.</p>
ESG incorporation strategy applied
<p> <input type="checkbox"/> Screening  <input type="checkbox"/> Thematic  <input checked="" type="checkbox"/> Integration  <input type="checkbox"/> Combination of ESG incorporation strategies  <input type="checkbox"/> Index incorporating ESG issues         </p>
Impact on investment decision or performance
<p>This share class change resulted in a negative impact on the company's risk profile and in our view therefore also in terms of its governance processes and consequently the cost of equity.</p>

☒ ESG issue 3



	ESG issue and explanation
<p>RobecoSAM's SI Research team identified challenges to an American IT Services and Internet Software company's revenue growth. Changing dynamics in end-markets that the company specialised in, the analysts believed the company would be very competitive in the long-term due to the superior capacity to innovate, which allows for adaptation to technology disruption. Based on our analysis, this company has a thorough innovation process, including open innovation. Additionally, the company supports many open source standards, collaborates with partners, acquires strategic assets and has spun off businesses which are not of strategic relevance anymore. Related to this, the company is very strong in environmental and social innovations.</p>	
	ESG incorporation strategy applied
<p> <input type="checkbox"/> Screening  <input type="checkbox"/> Thematic  <input checked="" type="checkbox"/> Integration  <input type="checkbox"/> Combination of ESG incorporation strategies  <input type="checkbox"/> Index incorporating ESG issues         </p>	
	Impact on investment decision or performance
<p>Grounded on the above listed positive quality management focused findings, RobecoSAM increased the assumptions for this company's long-term revenue growth rates.</p>	

☒ ESG issue 4

	ESG issue and explanation
	<p>An American retailer was removed from our list of potential investments (known as the 'eligible universe') in 2014, despite a positive view of overall industry attractiveness, driven by the following reasons:</p> <p>In 2014, we developed a new framework for analysis of human capital development within companies, evaluating their approach to employee training and development, which we believe impacts talent attraction and retention, as well as productivity and innovation. We found that this retailer does not track any metrics related to training and development, nor business benefits stemming from such programmes or returns on investment in human capital development, and has no plans to develop any such metrics. Some of the company's peers are much more advanced in managing human capital and therefore, in our view, have a competitive advantage.</p>
	ESG incorporation strategy applied
	<p><input type="checkbox"/> Screening</p> <p><input type="checkbox"/> Thematic</p> <p><input checked="" type="checkbox"/> Integration</p> <p><input type="checkbox"/> Combination of ESG incorporation strategies</p> <p><input type="checkbox"/> Index incorporating ESG issues</p>
	Impact on investment decision or performance
	<p>The identified issue drove the largest negative change in our Corporate Sustainability Assessment criteria score for this company between 2013 and 2014. Consequently, the retailer was removed from our list of potential investments, due to the reduced performance in the ESG criteria mentioned above.</p>

☒ ESG issue 5

	ESG issue and explanation
<p>RobecoSAM's healthcare sustainability analyst performed an innovation study on the large cap pharmaceuticals sector, that yielded increased confidence in a specific Swiss pharmaceutical company's ability to develop its pipeline at higher rates of success than its competitors. This analysis included a review of each companies' R&amp;D productivity (revenues from new products as a ratio of R&amp;D), overall product diversification, financial estimates for late stage pipeline projects, and successful introduction of specialty drugs (as opposed to medicines marketed in the primary care setting).</p>	
	ESG incorporation strategy applied
<p> <input type="checkbox"/> Screening  <input type="checkbox"/> Thematic  <input checked="" type="checkbox"/> Integration  <input type="checkbox"/> Combination of ESG incorporation strategies  <input type="checkbox"/> Index incorporating ESG issues         </p>	
	Impact on investment decision or performance
<p>After discussing this research with the equity analyst, RobecoSAM increased the probability of success for the early stage projects in the company's pipeline, which were previously assumed to have industry average success rates. This change increased our fair value estimate for the company and supported our investment case.</p>	

## Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
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LEI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.
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☒ We disclose it publicly

Provide URL

<http://www.robecosam.com/en/sustainability-insights/library/study.jsp>

Provide URL

[http://yearbook.robecosam.com/files/rs\\_data/pdf/RobecoSAM\\_Sustainability\\_Yearbook\\_2015.pdf](http://yearbook.robecosam.com/files/rs_data/pdf/RobecoSAM_Sustainability_Yearbook_2015.pdf)

**LEI 18.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- ☐ Yes
- ☒ No

**LEI 18.3**

Indicate the information your organisation proactively discloses to the public regarding your approach to ESG incorporation.

- ☐ Broad approach to ESG incorporation
- ☒ Detailed explanation of ESG incorporation strategy used

**LEI 18.4**

Indicate how frequently you typically report this information to the public.

- ☒ Quarterly or more frequently
- ☐ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify

**LEI 18.5**

Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.

- ☐ Broad approach to ESG incorporation
- ☒ Detailed explanation of ESG incorporation strategy used

**LEI 18.6**

Indicate how frequently you typically report this information to clients/beneficiaries.

- ☒ Quarterly or more frequently
- ☐ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

**LEI 18.7**

Additional information. [Optional]

RobecoSAM frequently and proactively discloses information on our approach to ESG integration in a number of ways. The public is able to sign up to the RobecoSAM newsletter, containing new content and ESG insights whilst the monthly RobecoSAM Engage publication is focused on the work of the RobecoSAM Governance & Active Ownership department. All this information is shared on our website.

Highlights from the RobecoSAM Forum, an invitation only two-day investor event focused on sustainability investing, are made available to the public on our website in a conference report (see below). Furthermore, RobecoSAM ESG related communications include RobecoSAM Voices and Foresights featuring thought leadership from employees, in-depth studies, roundtable events, panel discussions, webcasts and press releases. Finally, the annual Sustainability Yearbook, which is available to all, draws on trends from our Corporate Sustainability Assessment as well as a sustainability performance ranking of the top companies from the 59 industries analyzed.

In 2014, we publicly disclosed our structural approach towards sustainability investing for all publicly available RobecoSAM funds. We provide an SI Fund Classification with information on voting, engagement and ESG integration, as well as the UN PRI classification on ESG integration (Screening, Integration, Themed Fund). Please see here for an example of our factsheet:

[https://www.robeco.com/extranet/f4i/downloadselector/showDocument/953372\\_FACT\\_robecocom\\_201502\\_EN.pdf](https://www.robeco.com/extranet/f4i/downloadselector/showDocument/953372_FACT_robecocom_201502_EN.pdf)

Our clients can also get detailed information on specific investments and the underlying investment process. For example, clients receive information on specific investment cases including the reasoning for transactions, sustainability risks and peer analysis.

Please see here for more information on the Sustainability Yearbook: <http://yearbook.robecosam.com/>

Please see here for more information about the RobecoSAM Forum: <http://www.robecosam.com/en/forum/>

Please see here for more information on our Engage communications programme:  
<http://www.robecosam.com/en/sustainability-insights/library/engage/index.jsp>

Please see here for more information on the RobecoSAM Forum: <http://www.robecosam.com/en/forum/>

Please see here for our RobecoSAM Forum conference report: <http://www.robecosam.com/images/conference-report-2014.pdf>

# RobecoSAM AG

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Engagement

### Overview

LEA 01	Voluntary	Descriptive	PRI 2
LEA 01.1	Provide a brief overview of your organisation's approach to engagement.		

RobecoSAM's engagement with companies occurs on two levels:

1. **CSA Engagement:** sustainability performance dialogues take place as part of the RobecoSAM Corporate Sustainability Assessment process (CSA). As part of the CSA RobecoSAM analysts engage in dialogues with participating companies to identify gaps and improve their sustainability performance. Also discussed in these bilateral dialogues are company and industry specific sustainability issues as well as the assessment itself.
2. **Engagement Services:** Dedicated voting and engagement services are handled by the RobecoSAM Governance & Active Ownership (GAO) team which is located in Rotterdam. The RobecoSAM GAO team are responsible for executing voting and engagement on Robeco Group funds (including RobecoSAM funds). The RobecoSAM GAO team falls under RobecoSAM managerial responsibility and is legal part of the Robeco Group.

RobecoSAM's comprehensive annual CSA of over 3,000 companies provides a powerful vehicle which delivers substantial engagement value through ongoing structured dialogues with companies. Since every criterion included in our assessment represents a sustainability issue that has been identified by RobecoSAM analysts as financially material from an investor point of view, the CSA clearly communicates investors' interest in how management is addressing industry-specific environmental, social and economic issues that could impact their company's long-term sources of competitiveness. Via the CSA, RobecoSAM also encourages companies to improve their performance and disclosure in these areas. The benchmarking scorecards that result from the assessment give companies a clear indication of where they lag compared to industry peers, thereby enabling them to identify areas for improvements.

The reach of this engagement effort is broad and its value intensifies at different stages of the process as companies become more involved in bilateral dialogues based on the results of the assessment. At the first stage of the annual process, invitations to participate in the assessment reach the 3400 largest companies worldwide by free-float market capitalization, sending a strong signal about the issues that matter for sustainability investors to all industries across the globe. 830 companies participated actively in the assessment in 2014 and participation rates have been increasing year on year (CAGR > 7% since 1999), reflecting a growing interest by corporates in evaluating their sustainability progress compared to their peers and investors' expectations. Each year, over 3000 companies are assessed based on publicly-available information and data provided by the companies. All assessed companies are entitled to receive their individual benchmarking scorecard and participating companies can also request a follow up call with RobecoSAM analysts to discuss their sustainability performance. We also enter into a structured dialogue with companies interested in improving their performance and provide them with a more in depth benchmarking report that outlines sustainability best practice approaches and provides more granularity on their relative strengths and weaknesses. In total, 277 companies were involved in these bilateral follow-up or in-depth dialogues in 2014.

In summary, by progressively intensifying our dialogue with companies that demonstrate a strong interest in improving their performance and by increasingly focusing this dialogue on the most material issues, we believe that RobecoSAM can maximize the value and impact of engagement activities and make a meaningful contribution to companies' efforts to improve their sustainability and financial performance.

Within the focused level of engagement, Engagement Services are provided to institutional investors through the RobecoSAM GAO team. This complements the engagement value delivered by RobecoSAM through the CSA (see above) and allows us to focus on material investment topics identified through the CSA. Over time, we have aligned much of the engagement activities of different parts of the group around the most material issues that have been identified through the CSA. In addition to this, our GAO team have hosted successful roundtables with companies that we actively engage with to improve on sector-wide issues such as toxic chemical usage and product stewardship in chemical companies through innovative engagement platforms. By

leveraging the investor viewpoint and communicating stakeholder expectations, RobecoSAM is able to engage on financially relevant sustainability and drive value for both companies and investors. For more information please see: <http://www.robecosam.com/en/sustainability-insights/library/engage/2015/the-lion-in-the-wild-versus-the-lion-in-the-cage.jsp>

LEA 02	Mandatory	Gateway	PRI 1,2,3
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LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
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Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input checked="" type="checkbox"/> Other, specify To improve investment performance or reduce risk by engaging with portfolio holdings. <input type="checkbox"/> We do not engage via internal staff
<b>Collaborative engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

## Process

### Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
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LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.
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© Yes



**LEA 03.2**

Describe how you identify and prioritise engagements.

As part of its Engagement Services, the RobecoSAM Governance & Active Ownership (GAO) team selects engagement themes and engagement cases based on an annual selection process. Themes and cases are selected in close collaboration with Robeco investment teams, and RobecoSAM's sustainability investing research analysts.

Material themes are determined in collaboration between RobecoSAM's GAO team, portfolio managers, analysts and RobecoSAM's Sustainability Investing research team. The focus is on long-term, financially material ESG factors that can affect companies' ability to create value. Before starting a theme, we also inform our institutional investor clients about our thought process and involve them in the selection and design of our engagement themes.

For any given engagement theme, companies are selected that have most exposure to the engagement topic. Sectors and client holdings are a further important input to this stage of the process.

Each of our themes is refined using baseline research on the engagement topic. This is used to establish the starting point for individual companies, to keep the engagement focussed, and to efficiently address the most material ESG factors. For each company SMART (Specific, Measurable, Attainable, Relevant, Time-bound) engagement objectives are defined for individual companies.

Within the corporate sustainability performance dialogue level of engagement, we have a formal research-driven process in place to identify the most financially material sustainability issues for each industry. These issues form the core of our Corporate Sustainability Assessment (CSA) and are therefore the main focus of our dialogues with companies.

Over time, we have aligned much of the engagement activities of different parts of the Robeco Group around the most material issues that have been identified through the CSA. In addition to this, the RobecoSAM GAO team have hosted successful roundtables with companies that were actively engaged to improve on sector-wide issues such as toxic chemical usage and product stewardship in chemical companies through innovative engagement platforms. By leveraging the investor viewpoint and communicating stakeholder expectations, RobecoSAM is able to engage on financially relevant sustainability and drive value for both companies and investors.

☐ No

**LEA 03.3**

Additional information. [Optional]

Within CSA Engagement our approach differs from more conventional engagement strategies in that we engage primarily with sustainability leaders as well as companies aspiring to become sustainability leaders. Companies approach us to engage in a dialogue on how to continuously improve their sustainability performance. These companies set high standards for their industry peers, which in turn puts competitive pressure on the laggards, leading to improvements of corporate practices across the industry as a whole.

**LEA 04****Mandatory****Core Assessed****PRI 2****LEA 04.1**

Indicate if you define specific objectives for your engagement activities.

☒ Yes

☒ Yes, for all engagement activities

☐ Yes, for the majority of engagement activities

☐ Yes, for a minority of engagement activities

☐ No

<b>LEA 04.2</b>	Indicate if you monitor the actions that companies take following your engagements.
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- ☒ Yes
- ☒ Yes, in all cases
  - ☐ Yes, in the majority of cases
  - ☐ Yes, in the minority of cases

<b>LEA 04.3</b>	Describe how you monitor and evaluate the progress of your engagement activities.
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The RobecoSAM Governance & Active Ownership (GAO) team identifies its engagement performance on the basis of measurable outputs and successes. We track the progress of all of our engagement activities on a quarterly basis based on the SMART (Specific, Measurable, Attainable, Relevant, Time-bound) objectives established for each theme and individual company. We generate confidential engagement reports as well as public quarterly engagement (and voting) summary reports that provide details of the results of engagement and voting. Versions of these reports are delivered to our portfolio managers and our external clients. As part of our corporate sustainability performance dialogue engagement level the annual Corporate Sustainability Assessment (CSA) provides a tool to measure companies' year-on-year progress in managing sustainability issues relevant to their industry. For example, the average Total Sustainability Score for the entirety of companies assessed by RobecoSAM increased by 0.5 points from 40.44 in 2013 to 40.93 in 2014.

☐ No

<b>LEA 04.4</b>	Additional information. [Optional]
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CSA Engagement with companies focuses on areas of improvement in their sustainability performance which are jointly identified by companies and RobecoSAM, based on the results of their CSA. The objectives of the dialogues are to review each of the issues identified, explain investors' expectations and the rationale behind them (including explanations regarding the materiality of the issues from an investor perspective), discuss the company's performance, associated challenges and ways to address them, and share best practices.

## Process for engagements conducted via collaborations

<b>LEA 05</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 05.1</b>	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.
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☒ Yes

<b>LEA 05.2</b>	Describe how you identify and prioritise collaborative engagements.
-----------------	---

Recognising the value of different forms of engagement, Robeco carries out individual engagements as well as collaborative engagements with other investment institutions. For instance, we believe that the best way to promote improved market practices is through active membership in collaborative platforms such as ICGN, PRI, Eumedion, Efama, Eurosif etc. For each of these platforms we identify and prioritise our collaborative engagement activities within these memberships.

Historically, we have found our success rate to be higher in individual engagements than in collaborative engagements. At this moment most of our engagements are individual staff engagements. We know from experience, however, that specific collaborations can be very effective. We look for collaborations that are focussed and well organized, and which add more power to our engagement approach. Where this is the case, we add collaborative engagement to our pallet of instruments within a certain engagement theme.

This way, we combine our individual and collaborative engagement efforts to get a maximum engagement result. We prioritise collaborative engagement where we can combine these engagements with our individual engagements. Under these circumstances, we will always look to take an active role in these collaborations in the form of a (co) leader, contributing to policy documents, outreach etc. Collaborative engagement via Eumedion is one example of an effective and on-going collaboration.

☐ No

LEA 06	Mandatory	Core Assessed	PRI 2
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LEA 06.1	Indicate if the collaborative engagements in which you are involved have defined objectives.
----------	--

☒ Yes

- ☒ Yes, for all collaborative engagement activities
- ☐ Yes, for the majority of collaborative engagement activities
- ☐ Yes, for a minority of collaborative engagement activities

☐ No

LEA 06.2	Indicate if you monitor the actions companies take following your collaborative engagements.
----------	--

☒ Yes

- ☒ Yes, in all cases
- ☐ Yes, in the majority of cases
- ☐ Yes, in the minority of cases

LEA 06.3	Describe how you monitor and evaluate the progress of your collaborative engagement activities.
----------	---

Robeco adopts the same approach to monitoring and evaluating the progress of individual engagement activities and those done within collaborative activities:

As with our individual engagements, we track the progress of all our collaborative engagements, on a quarterly basis based on SMART objectives. We provide measurable engagement outputs and successes. We deliver confidential engagement reports as well as quarterly engagement (and, where relevant, voting) summary reports that provide details of the results of engagement and voting. These reports are delivered to our internal (portfolio managers) and external clients (institutional investors).

☐ No

### General processes for all three groups of engagers

LEA 09	Voluntary	Additional Assessed	PRI 1,2
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LEA 09.1	Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.
----------	---

Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

**LEA 09.2** Additional information.

The insights gained through the Engagement Services and CSA Engagement with companies are incorporated in our opinions of their corporate sustainability performance and our investment recommendations.

<b>LEA 10</b>	<b>Mandatory</b>	<b>Gateway/Core Assessed</b>	<b>PRI 2</b>
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**LEA 10.1** Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

**LEA 10.2** Additional information. [Optional]

Within the dedicated voting and engagement activities the RobecoSAM Governance & Active Ownership team track all of the engagement cases in our engagement themes. These cases are reported on a frequent basis, including status changes on the pre-defined SMART (Specific, Measurable, Attainable, Relevant, Time-bound) objectives. If we support other investors by co-signing letters, for companies out-side the program, we typically do not consider these as engagement cases unless we have defined specific goals with SMART objectives. We track all CSA Engagements with companies and categorise them as either follow-up dialogues or in-depth dialogues.

## Outputs and outcomes

LEA 11	Mandatory to Report Voluntary to Disclose	Core Assessed	PRI 2
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LEA 11.1	Indicate the number of companies with which your organisation engaged during the reporting year.
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	<b>Number of companies engaged</b> (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	381
Collaborative engagements	31

LEA 11.2	Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]
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<b>Type of engagement</b>	<b>% Comprehensive engagements</b>
Individual / Internal staff engagements	<input checked="" type="radio"/> > 50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 11.3	Indicate what percentage of your collaborative engagements you were a leading organisation on during the reporting year. [Optional]
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<b>Type of engagement</b>	<b>% Leading role</b>
Collaborative engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 11.5	Additional information. [Optional]
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Please consider the following with respect to 11.1. First, in total RobecoSAM engaged with 277 companies, through bi-lateral feedback calls, meetings or workshops within its CSA Engagement and associated activities. Second, RobecoSAM Engagement Services included 104 individual engagements, and third, 31 collaborative engagements.

LEA 12	Voluntary	Additional Assessed	PRI 2
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LEA 12.1	Indicate if your engagements in the reporting year covered E, S and/or G issues.
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Type of engagement	Coverage
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information
Collaborative engagements	<input type="checkbox"/> Environmental <input type="checkbox"/> Social <input type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information

LEA 12.2	Provide an estimated breakdown by E, S and/or G issues.
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	Individual / Internal staff engagements
--	---

	% Overlapping ESG issues
--	--------------------------

100

100%

	Collaborative engagements
--	---------------------------

	% Environmental only
--	----------------------

10

	% Social only
--	---------------

35

	% Corporate Governance only
--	-----------------------------

55

	% Overlapping ESG issues
--	--------------------------

0

100%

LEA 12.3	Additional information.
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All individual engagements cover a combination of sustainability issues, ranging over the three dimensions of the Corporate Sustainability Assessment: Economic (including Governance), Environmental and Social. All collaborative engagements performed by the RobecoSAM Governance and Actice Ownership team are issue specific i.e. majority related to corporate governance issues.

LEA 13	Voluntary	Descriptive	PRI 2
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LEA 13.1	Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities.
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☒ Yes

LEA 13.2	Indicate the number of companies that changed or committed to change in the reporting year following your organisation's and/or your service provider's engagement activities.
----------	--

	Number of company changes or commitments to change
Individual / Internal staff engagements	356
Collaborative engagements	24

☐ No

LEA 13.3	Additional information.
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RobecoSAM is able to measure the results of its CSA Engagement activities. Year-on-year improvements in corporate sustainability performance can be measured in aggregate and on specific aspects, by comparing the results of the 2015 Corporate Sustainability Assessment (CSA) (which will become available in 2015 Q3) with the results of the 2014 CSA. For example, the average Total Sustainability Score for the entirety of companies assessed by RobecoSAM increased by 0.5 points from 40.44 in 2013 to 40.93 in 2014. The CSA engagements in 2014 totalled 277 companies who committed to sustainability improvements, whilst our Engagement Services activities led to 79 confirmed company changes.

LEA 14	Voluntary	Descriptive	PRI 2
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LEA 14.1	Provide examples of the engagements that your organisation carried out during the reporting year.
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☒ Add Example 1

Topic or ESG issue	Toxic chemicals in the chemicals sector
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>In 2014 we piloted a new engagement tool: a roundtable with five of the largest global chemical companies. The aim of this was to discuss the topic of toxic chemicals and develop an understanding of its materiality for the sector, and to facilitate a dialogue between investors and companies. Specifically our objectives were to find out if companies are aware of the chemicals in their products and supply chains falling in the category of "substances of very high concern" (SVHC), if they disclose information on the production and use of these substances to the public and if they implement a time-bound program to phase-out chemicals of high concern either by exiting these businesses or developing economically competing, safer alternatives.</p>
Scope and Process	<p>Our engagement revolved around a roundtable event which we hosted in Horgen, Switzerland in the fall of 2014. We invited five companies to exchange ideas and share experiences around the topic of toxic chemicals with analysts and engagement specialists from Robeco and RobecoSAM. The whole event took place under Chatham House rules to ensure an open discussion. We compiled the information gained from the roundtable and published a white paper on the subject, with the aim of promoting the key takeaways from the meeting. We sent the white paper to all the companies who took part in the roundtable to gather their feedback.</p>
Outcomes	<p>During the roundtable we made the following findings:</p> <ul style="list-style-type: none"> <li>• Greater harmonization of legislation is needed across the globe, as the increasing amount of chemical regulation such as REACH by the EU is creating insecurity and higher costs. Thus the companies wish a level playing field by means of global harmonization of legal frameworks.</li> <li>• The roundtable also highlighted the key difference between toxicity and risk, and thus how crucial it is that the end user does not come close to the toxic chemicals. Safety is therefore deemed more important than the phasing out of toxic substances</li> <li>• A large gap seems not to exist between best and worst actors in the industry. Rather, the vast majority of major chemicals players seem to have quite high standards. Furthermore, the industry organizations such as the International Council of Chemical Associations (ICCA) work well to improve the management of chemicals worldwide and make it more sustainable.</li> </ul> <p>We believe that the business practices applied by the chemical industry - and especially by the global players in Robeco's portfolios - are already very much advanced, indeed beyond compliance. Increased legislation in the area of chemicals is actually a business opportunity for companies as it provides an opportunity to develop new substances.</p>

☐ Add Example 2

☐ Add Example 3

☐ Add Example 4

☐ Add Example 5

☐ Add Example 6

☐ Add Example 7



- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

LEA 14.2	Additional information.
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Our dialogues with companies are confidential. This policy is in place for several reasons, including encouraging participation and helping companies to further develop their performance. RobecoSAM's focus is on promoting sustainability leaders, and this policy is an important cornerstone of that.

## Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6
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LEA 15.1	Indicate whether your organisation proactively discloses information on its engagements.
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- ☒ We disclose it publicly

	provide URL
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<http://www.robecosam.com/en/sustainability-insights/library/engage/2014/concrete-progress-on-eco-efficiency-for-metals-and-cement-companies.jsp>

	provide URL
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<http://www.robecosam.com/en/professionals/strategies-services/activeownership-voting/voting-reports.jsp>

LEA 15.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
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- ☐ Yes
- ☒ No

**LEA 15.3**

Indicate what engagement information your organisation proactively discloses to the public.

- ☒ Details of the selections, priorities and specific goals of engagement
- ☒ Number of engagements
- ☒ Breakdown of engagements by type/topic
- ☐ Breakdown of engagements by region
- ☐ An assessment of the current status of the engagement
- ☒ Outcomes that have been achieved from the engagement
- ☐ Other information

**LEA 15.4**

Indicate how frequently you typically report engagements information to the public.

- ☐ Disclosed continuously (prior to and post engagements)
- ☒ Disclosed quarterly
- ☐ Disclosed annually
- ☐ Disclosed every two years or less
- ☐ Other, specify

**LEA 15.5**

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.

- ☒ Details of the selections, priorities and specific goals of engagement
- ☒ Number of engagements
- ☒ Breakdown of engagements by type/topic
- ☒ Breakdown of engagements by region
- ☒ An assessment of the current status of the engagement
- ☒ Outcomes that have been achieved from the engagement
- ☒ Other information

Summaries from the baseline research for our engagement themes. This research typically investigates the state of play and relevant issues for a theme.

**LEA 15.6**

Indicate how frequently you typically report engagements information to clients/beneficiaries.

- ☐ Disclosed continuously (prior to and post engagements)
- ☒ Disclosed quarterly
- ☐ Disclosed annually
- ☐ Disclosed every two years or less
- ☐ Other, specify

**LEA 15.7**

Describe any other differences in the information being disclosed. [Optional]

The RobecoSAM Governance and Active Ownership team actively discloses new themes, specific trends and engagement successes in our public magazine called "Advance". This magazine is not as detailed and exhaustive as our engagement reports to clients and investment teams. This is because some information in the engagement process needs to be kept confidential. Our engagement clients and internal investment teams receive full detailed information on all our engagement activities which are treated as confidential.

- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries.

**LEA 15.8**

Additional information. [Optional]

In contrast to the dedicated voting and engagement activities, our CSA Engagement with companies are confidential. However, the leading companies identified through the Corporate Sustainability Assessment are disclosed to the public through the annual RobecoSAM Sustainability Yearbook, which looks back at companies' sustainability performance over the past year and contains a ranking of the top 15% of companies in each of the 59 industries analyzed.

**(Proxy) voting and shareholder resolutions****Overview****LEA 16****Voluntary****Descriptive****PRI 2****LEA 16.1**

Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).

RobecoSAM's dedicated Governance & Active Ownership (GAO) team is responsible for proxy voting within the Robeco Group, including RobecoSAM's holdings. Robeco has been voting for its own funds and on behalf of institutional clients since 1998. Today, the RobecoSAM GAO team votes on behalf of nearly all institutional funds, including the delivery of voting reports and disclosure websites for both Robeco funds and mandates. The RobecoSAM GAO team visits several shareholder meetings in person, but makes most of its vote casts electronically. Robeco reports about its voting activity in public through its website.

Robeco has a global coverage covering all continents and votes for all agenda items of all shareholder meetings it can vote for. Robeco does not vote in markets where share blocking is required and when the total position is less than 1% of the market capitalization of the organization. When performing the vote cast analysis Robeco's GAO team takes into account the local standards and the internationally-accepted principles of the International Corporate Governance Network (ICGN). These provide a broad framework for assessing companies' corporate governance practices. The ICGN principles provide enough scope for companies to be assessed according to local standards, national legislation and corporate-governance codes of conduct. Company-specific circumstances and the management's explanation of company policy are also taken into account, but voting decisions are primarily based on the group's voting policy and guidelines. Robeco has a comprehensive voting policy based on 15 years of experience and insights. For specific mandates, Robeco can adapt voting guidelines in line with clients' preferences.

Robeco's voting specialists track which companies are under engagement. The vote casts made at a shareholder meeting of a company under engagement are made in consultation with the engagements specialists. Information captured from the shareholder meeting is taken into account in future engagement practices. With its voting and engagement practices Robeco aims to encourage management teams of companies in which they or their mandates invest, to implement good corporate governance and responsible policies to increase long-term shareholder value and to encourage responsible corporate behaviour.

Robeco has co-filed one shareholder proposal for an AGM in 2014, although it was not for a company in RobecoSAM's portfolios. Robeco is thereby always open and willing to (co-)file a shareholder proposal for an AGM if there is a reason to do so.

Process			
LEA 17	Mandatory	Descriptive	PRI 2
LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.		
	Approach		
<div><div><input type="radio"/> We use our own research or voting team and make our own voting decisions without the use of service providers.</div><div><input checked="" type="radio"/> We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.</div></div>			
	Based primarily on		
<div><div><input type="radio"/> the service provider voting policy signed off by us</div><div><input checked="" type="radio"/> our own voting policy</div><div><input type="radio"/> our clients requests or policy</div><div><input type="radio"/> other, explain</div><div><input type="radio"/> We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.</div><div><input type="radio"/> We hire service provider(s) which make voting decisions on our behalf.</div></div>			
LEA 17.2	Additional information.[Optional]		
<p>Robeco follows a process that assigns different levels of priority for every single shareholder meeting. By applying different filters, voting resolutions are identified that require more extensive analysis. Robeco's research provider has implemented a customised voting policy based on Robeco's corporate governance principles. This customized policy serves as a basis for all voting instructions. The assigned level of priority determines the amount and type of extra analysis that Robeco's voting analysts perform before making a voting instruction.</p> <p>Proxy votes relating to those holdings in which RobecoSAM has a significant interest in are communicated to RobecoSAM Sustainability Investing Research analysts for review and to ensure that proxy voting decisions are in line with strategic sustainability investing objectives at RobecoSAM. Additionally proxy voting measures are communicated to RobecoSAM Portfolio Managers who then communicate with relevant RobecoSAM SI Research analysts.</p> <p>In situations where Robeco's voting policy does not provide a clear direction for the research provider's analysts regarding the desired vote cast, the Robeco analysts evaluate the resolution and provide specific instruction for the vote cast in question. Those companies that are consistently flagged by Robeco have their vote casts recorded by in-house Robeco analysts who take into account research providers' recommendations as well as the RobecoSAM SI Research team when casting votes.</p>			
LEA 19	Voluntary	Descriptive	PRI 2

<b>LEA 19.1</b>	To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following.
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- ☐ Obtain confirmation that votes have been received by the company:
- ☐ Participate in projects to improve the voting trail and/or to obtain vote confirmation
- ☒ None of the above

<b>LEA 20</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>LEA 20.1</b>	Indicate if your organisation has a securities lending programme.
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- ☒ Yes

<b>LEA 20.2</b>	Indicate how voting is addressed in securities lending programme.
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**Please select one of the following**

- ☐ We recall most securities for voting on all ballot items
- ☒ We recall some securities for voting on some ballot items on a systematic basis in line with specified criteria
- ☐ We occasionally recall some securities for voting on some ballot items on an ad-hoc basis
- ☐ We empower our securities lending agent to decide when to recall securities for voting purposes
- ☐ We do not recall our shares for voting purposes
- ☐ Other (please specify)
- ☐ No

<b>LEA 20.3</b>	Additional information. [Optional]
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Securities are recalled when controversial ESG issues and/or corporate actions are on the agenda.

<b>LEA 21</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 21.1</b>	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
-----------------	---

- ☐ Yes, in most cases
- ☒ Sometimes, in the following cases:
  - ☐ votes in selected markets
  - ☒ votes on certain issues (all markets)
  - ☐ votes for significant shareholdings (all markets)
  - ☐ other, explain
- ☐ No
- ☐ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

**Outputs and outcomes**

LEA 22	Mandatory	Core Assessed	PRI 2
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LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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☒ We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

97

	Specify the basis on which this percentage is calculated
--	--

- ☐ of the total number of ballot items on which you could have issued instructions
- ☒ of the total number of company meetings at which you could have voted
- ☐ of the total value of your listed equity holdings on which you could have voted
- ☐ We do not track or collect this information

LEA 23	Voluntary	Descriptive	PRI 2
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LEA 23.1	Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.
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☒ Yes, we track this information

LEA 23.2	Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were:
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Voting instructions	Breakdown as percentage of votes cast				
For (supporting) management recommendations	<table> <tr> <td></td><td>%</td></tr> <tr> <td>90</td><td></td></tr> </table>		%	90	
	%				
90					
Against (opposing) management recommendations	<table> <tr> <td></td><td>%</td></tr> <tr> <td>9</td><td></td></tr> </table>		%	9	
	%				
9					
Abstentions	<table> <tr> <td></td><td>%</td></tr> <tr> <td>1</td><td></td></tr> </table>		%	1	
	%				
1					

100%

**LEA 23.3**

For the reporting year, describe your approach towards voting on shareholder resolutions.

Shareholder proposals are analysed on a case-by-case basis. Occasionally, we are invited by other shareholders to co-sign resolutions. Depending on whether they align with our own voting policy, we decide how to instruct our votes or co-sign such resolutions.

Whenever shareholder resolutions are related to environmental and/or social issues, our Engagement Specialists and our Sustainability Investment Research team are consulted.

☐ No, we do not track this information

**LEA 24****Voluntary****Descriptive****PRI 2****LEA 24.1**

Indicate if your organisation directly or via a service provider filed or co-filed any shareholder resolutions during the reporting year.

☐ Yes

☒ No

**LEA 25****Voluntary****Descriptive****PRI 2****LEA 25.1**

Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

☒ Add Example 1

Topic or ESG issue	Excessive severance package to outgoing chairman of the board of a major Swiss pharmaceuticals company.
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	This particular voting activity's objective was to signal to the company that the executive compensation plan was deficient.
Scope and Process	<p>Our concerns about the remuneration plan included the company's executive compensation, which included the exorbitant amount of CHF 72 million non-compete and advisory services agreement for the outgoing chairman, as well as the sign-on payments for the incoming chairman. The amounts were found to be excessive</p> <p>Other items of concern were the unchallenging performance targets that would allow Named Executive Officers to be rewarded, even if the company underperforms the market, the use of a single performance metric under the long term incentive plan, and the lack of annual bonus deferral.</p>
Outcomes	Following our analysis, it was discovered that the executive compensation plan contained excessive fees paid to the outgoing chairman. We voted against the proposal with the motion still passing.

☒ Add Example 2

Topic or ESG issue	Re-election of members to audit committee following fraudulent activities of a diversified American healthcare company.
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Preventing the re-election of members to the audit committee, who committed wrongful acts
Scope and Process	The company in question incorrectly paid out a sum of USD 1.5 billion after the company failed to use the correct measurement dates with respect to certain option grants over the twelve-year span from 1994 to 2006. Several board members of the company who were up for re-election were also members of the audit committee, either at the time that the backdating occurred, or during the period where the company incorrectly paid out the sum. These events were a strong signal that the audit committee had poor oversight of financial reporting and weak internal controls related to its stock option granting processes.
Outcomes	We voted against the re-election of those directors, who were members of the audit committee at the time the wrongful acts took place. Unfortunately, a majority of against votes was not achieved and members were re-elected.

- ☐ Add Example 3
- ☐ Add Example 4
- ☐ Add Example 5
- ☐ Add Example 6
- ☐ Add Example 7
- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

## Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6
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**LEA 26.1** Indicate if your organisation proactively discloses information on your voting activities.

- ☒ We disclose it publicly

provide URL

<http://www.robecosam.com/en/professionals/strategies-services/activeownership-voting/voting-reports.jsp>



**LEA 26.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- ☒ Yes

**LEA 26.3**

Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- ☒ All voting decisions
- ☐ Some voting decisions
- ☐ Only abstentions and opposing vote decisions
- ☐ Summary of votes only

Indicate what level of explanation you provide

- ☐ Explain all voting decisions
- ☐ Explain some voting decisions
- ☐ Only explain abstentions and votes against management
- ☒ No explanations provided

**LEA 26.4**

Indicate how frequently you typically report voting information.

- ☐ Continuously (primarily before meetings)
- ☐ Continuously (soon after votes are cast)
- ☒ Quarterly or more frequently
- ☐ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients/beneficiaries only
- ☐ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

**LEA 26.8**

Additional information. [Optional]

The vote casts made (For, Against, Withhold/abstain) are publically disclosed.