



UN Global Compact Communication on Progress

Communication on progress (COP)

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CEO Statement on Continued Participation

H.E. Ban Ki-moon
Secretary-General
United Nations
New York, NY 10017, USA

Rotterdam, June 30, 2015

Dear Mr. Secretary-General,

We are pleased to confirm Robeco's continued support of the ten principles of the UN Global Compact with respect to human rights, labour, environment and anti-corruption. With this communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations. Robeco will continue making a clear statement of this commitment to our stakeholders and the general public. We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to promote, implement and help implement the ten principles.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'R. Munsters', with a long horizontal line extending to the right.

Roderick Munsters
CEO Robeco

Introduction

Background and Scope

Robeco, a global asset manager, offers a mix of investment solutions and products in a broad range of strategies to institutional and private investors worldwide. The company has EUR 246 billion in assets under management, of which 48% is managed for institutional clients, with a net profit of EUR 228 million (as at 31 December 2014). Robeco's head office is located in Rotterdam, the Netherlands, and the company has 1,218 employees in 15 countries (end of 2014).

RobecoSAM is an investment boutique and a wholly owned subsidiary of Robeco, focused exclusively on Sustainability Investing. It offers asset management, indices, engagement, voting, impact analysis, sustainability assessments, and benchmarking services, whilst RobecoSAM's in-depth knowledge on sustainability investing is fully integrated and utilized throughout the wider Robeco group.

Sustainability Investing

The direct impact of our operations on human rights, labour and environmental matters is limited; however we understand that the biggest single effect which we can have on promoting the aims of the UN Global Compact around the world is by actively taking these into account when making investment decisions.. Sustainability investing is integral to Robeco's overall strategy. This is because we are convinced that integrating environmental, social and governance (ESG) factors results in better-informed investment decisions. For this reason we engage our investee companies on human rights, labor, corporate governance and environmental issues. Robeco believes that its engagement with companies will have a positive impact on our investment results and on society.

Within Robeco investors, researchers and the voting and engagement specialists work closely together focusing on the jointly determined financially material themes. The United Nations-supported Principles for Responsible Investment (PRI) recently awarded Robeco top scores for its approach to sustainability investing in general and its approach to active ownership specifically.

Active Ownership

Robeco's engagement program covers companies worldwide in equity and credit portfolios and engagement is also applied to private equity. Engagement focuses on financially material ESG issues and is executed in collaboration with portfolio managers and analysts.

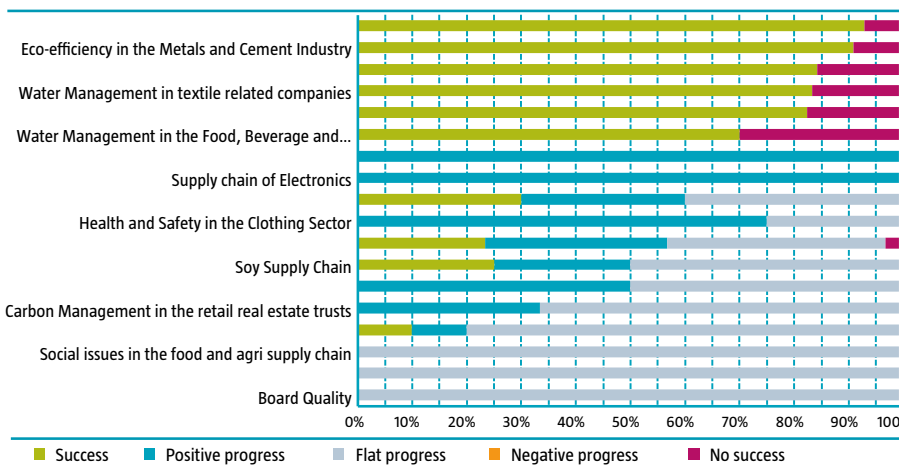
Engagement

In 2005, Robeco began encouraging the management teams of companies in which it invests to implement good corporate governance and pursue environmental and human-rights policies, the aim being to increase long-term value for shareholders.

We use the information provided to make an ESG risk assessment of the companies we invest in and encourage companies to change their conduct. 2014 saw the start of four new engagement themes: social issues in food & agri supply chain, board quality, toxic chemicals and data privacy. Robeco's themes run for three years and we typically work on 8 to 12 themes in parallel. Robeco has set up a team of specialists dedicated to analyzing environmental, social and governance issues. Every quarter, we publish an overview of our activities as a sustainable asset manager on our website. In 2014, Robeco conducted 169 engagement cases with a total of 135 companies worldwide and achieved good results for example in the oil and gas sector, the textile industry and the mining sector.

Issues such as corporate risk oversight, human-rights policy, and environmental risk management are all covered in our discussions with companies.

Part of Robeco’s active-ownership strategy concentrates on companies that systematically and severely breach the United Nations Global Compact. This is called enhanced engagement. If an enhanced engagement dialogue does not lead to the desired result, the Management Board may decide to exclude the company in question for investments. The process for enhanced engagement is a formal part of Robeco’s exclusion policy. An overview of the progress of our engagements in 2014 is shown below:



Voting

Robeco has been voting on behalf of institutional clients since 1998. Today, we vote on behalf of nearly all of our institutional funds, including the delivery of voting reports for our investors in these funds. These reports are customized to meet the requirements of institutional investors, who can use the information they provide in their own reporting.

Our voting policy is based on the internationally-accepted principles of the International Corporate Governance Network (ICGN), which 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.

Exclusion

Robeco has implemented an exclusion policy for companies involved in the production of, or trade in, controversial weapons such as cluster munitions and anti-personnel mines and for companies that structurally and severely breach the United Nations Global Compact. For that last category, Robeco considers exclusion to be an action of last resort, only to be used after all other dialogue-based methods to persuade a company to improve its practices have failed. Robeco re-evaluates the practices of excluded companies at least once a year, and may decide to reinstate a company in the investment universe at any time if it can show that the desired change has been implemented. Robeco’s exclusion policy and exclusion list are published on our website.

Robeco systematically integrates ESG factors into its investment activities with a focus on financially material ESG issues

ESG Integration

Robeco systematically integrates ESG factors into its investment activities with a focus on financially material ESG issues (positive and negative), that may affect investment decisions. We are convinced that taking ESG criteria into account results in better-informed investment decisions and is necessary to fully grasp the risks and opportunities that are associated with the businesses in which we invest. In its most fundamental sense, integration thus involves the adjustment of financial model assumptions based on the sustainability performance of a company.

The way in which we incorporate extra-financial factors into our mainstream investment processes is tailored to the characteristics of each individual investment strategy. Further RobecoSAM has a range of sustainable funds. The goal of ESG integration has been at the foundation of RobecoSAM's Corporate Sustainability Assessment methodology since it was first introduced in 1999. Such a focus has also led us to develop an economic profit model that adjusts the assumptions of the return on invested capital and the weighted average cost of capital in order to obtain a fair value that balances short-term financial projections with the consideration of long-term sustainability factors.

We strive to understand how the company's performance on specific sustainability factors and its positioning toward long-term trends influence our long term view of a company's true value, which in turn helps us enhance our financial models. Besides using in-house ESG data from RobecoSAM, the engagement insights and results are also taken into account when assessing the sustainability performance of a company.

Dow Jones Sustainability Indices

The Dow Jones Sustainability World Index was launched in 1999 as the first global sustainability benchmark. The Dow Jones Sustainability Index family is offered cooperatively by RobecoSAM and S&P Dow Jones Indices. The family tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria. The 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.

By working together with the leading companies, we are able to gain greater insight into how sustainability adds value to the business

The RobecoSAM Corporate Sustainability Assessment (CSA)

RobecoSAM believes that financial analysis is not complete if it ignores material extra-financial factors. The Corporate Sustainability Assessment (CSA) is RobecoSAM's main tool for identifying companies that are better equipped to identify and respond to emerging opportunities and risks resulting from global sustainability trends. The CSA consists of an annual analysis of the sustainability performance of more than 2,000 companies covering the major indices. Following on from the first CSA conducted in 1999, RobecoSAM has built one of the largest proprietary databases for corporate sustainability. In 2014 830 companies from 42 different countries participated in the latest RobecoSAM CSA and reported on their performance in financially material ESG criteria.

By working together with the leading companies, we are able to gain greater insight into how sustainability adds value to the business

The Sustainability Yearbook

On 19 January 2015, RobecoSAM announced the publication of The Sustainability Yearbook 2015. The yearbook describes the latest trends in sustainability research and industry-specific, material ESG drivers. It is based on our corporate sustainability assessment and has become a global reference book for corporate sustainability. The Yearbook looks back at companies' sustainability performance in 2014, includes the best 15% per industry and ranks them Gold, Silver or Bronze. The top performing company from each of the 59 industries analyzed is awarded RobecoSAM Industry Leader status. Split by region, Europe holds the greatest number of companies included in the Yearbook as well as the most RobecoSAM Gold Class medal winners.

Sustainability Services

Through its long-standing commitment to sustainability investing, RobecoSAM has gained extensive knowledge and expertise in sustainability trends, strategies and investor concerns. RobecoSAM's Sustainability Services division offers a range of services that allow companies, experts and practitioners to evaluate sustainability performance. RobecoSAM offers institutions customized training and sustainability-management solutions as well as national sustainability benchmarking. RobecoSAM also performs the measuring of the quantitative impact of holdings and portfolios regarding environmental or social objectives. This Impact Monitoring service includes ESG optimization, environmental impact and social impact, as well as exclusion. Impact data is also used for portfolio construction (e.g., the portfolio is optimized by tilting a company's original benchmark weight according to the relative performance compared to its industry peers). This can be combined with a best-in-class approach that ensures a selection of the leaders in a specific field.

Initiatives promoting sustainability in financial markets

As part of our commitment to making financial markets more sustainable, Robeco and RobecoSAM are also members of organizations such as the European Sustainable Investment Forum (Eurosif), UNPRI, Association for Sustainable and Responsible Investment in Asia (ASrIa), Asian Corporate Governance Association (ACGA), the Dutch Corporate Governance platform Eumedion, The Institutional Investors Group on Climate Change (IIGCC), Certification of Environmental Standards (Ceres) and Swiss Sustainable Finance (SSF). The active contribution to these important platforms for collaborative action on sustainability issues enables Robeco to help shape the global investment agenda.

Corporate Responsibility

Robeco is a pioneer in sustainability investing and our activities in the field of sustainability investing have led to sustainability becoming one of our core values. Indeed, practicing what we preach we hold the view that corporate responsibility should be part of everything we do, from handling investment portfolios for clients to running our own business. In order to illustrate Robeco's corporate responsibility ambitions and progress please refer to our Corporate Responsibility Report in the second part of this document.

Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses

Assessment, Policy and Goals

Robeco recognizes that it has a corporate responsibility to respect and uphold human rights, as outlined in the Universal Declaration of Human Rights, and to integrate human rights considerations into its daily business. Robeco has signed the United Nations Global Compact (UNGC) and chosen these principles as guidelines for its actions. Robeco's policies are aligned with the United Nations Universal Declaration of Human Rights, the UNGC, the International Labor Organization's (ILO) labor standards and the United Nations Guiding Principles for Business and Human Rights.

Robeco also believe that the companies in which we invest should abide by these principles and, through its active ownership (voting and engagement) activities, Robeco encourages its investee companies to adopt robust human rights policies in line with the UNGC and other Human Rights principles. In 2014, Robeco engaged in 23 cases concerning Human Rights with companies.

Implementation Engagement

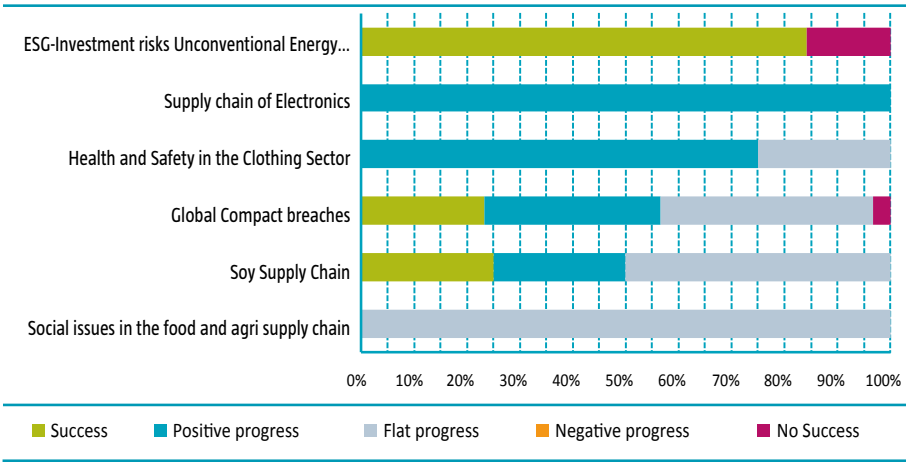
During 2014, Robeco began an engagement theme entitled "Social issues in the food and agri supply chain" with 18 companies, focused around 5 engagement objectives which were: Human Rights, Labour Standards, Sustainable Agriculture Production, Living Wage and Smallholder capacity Buildings. For the Human Rights objective, we focused on encouraging the peer group of companies to develop a human rights policy and perform human rights impact assessments where feasible, in order to identify areas of production where human rights infringement is a risk for their business. In some cases this could entail applying Free Prior and Informed Consent for plantation development to respect customary land rights of indigenous people. This is one of a number of themes which we ran during the course of 2014 on improving human rights, including engagements on the electronics supply chain, health and safety in the clothing sector, soy supply chain, corporate risk oversight in the mining sector and enhanced engagements in the cases of alleged UNGC breaches.

DJSI: RobecoSAM believes that all companies should adhere to Principle 1 and 2 of the UNGC. We also believe that companies that have systems in place to ensure that human rights abuses won't take place in their own global operations as well as in their supply chain will outperform those of their peers which do not have such systems in place. Hence, the DJSI evaluates all of the companies which are assessed annually if they follow principles 1 and 2. Companies are asked to answer specific questions about human rights and processes in place and to provide documents demonstrating their internal human right assessment process.

Measurement of outcomes Engagement

We track the progress of our engagements, and regularly report this to our internal and external clients. A summary of our six human rights related engagement themes is shown below.

Robeco engaged in 23 cases concerning Human Rights with companies, a rise from the 7 cases we undertook in 2013.



Below is an example of a Human Rights engagement we undertook in 2014.

Case Study: Labour standards, forced labour in the supply chain in Thailand (CP Foods)

Hon Hai is a producer of technology components and assembly company and one of the main suppliers to Apple. The company faced severe critics for the labour conditions in the factories in 2011 and general lack of transparency regarding business strategy and succession planning. Robeco leads the specific engagement on issues of board nomination and corporate governance and thereby contributes to the global investor coalition lead by Hermes EOS. Our objectives are:

- Improve policies and risk assessment
- Develop risk management systems
- Engage in stakeholder dialogue
- Increase transparency for all external stakeholders

We sent a letter to the chairman of the board, followed up with several exchanges to further stress the three main issues raised in person at the 2014 AGM. These issues are labour standards, succession and transparency.

We held several conference calls with the company and stressed the need to improve their risk assessment of labour conditions at the factories, provide more clarity on succession planning and provide overall transparency on the business strategy.

- There has been a significant effort to reduce overtime to a maximum of 60 hours per month, which is, compared to other sectors sourcing in China, a great achievement.
- The company is willing to consider improving its nomination procedure.
- The company committed to provide more transparency on the overall business strategy to investors.

DJSI: On the basis of the quality of the answers, companies are assigned scores which allows for a ranking of companies. Companies are made aware of their scores, and they likely try to improve year over year versus their peers.

Labour Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation

Assessment, Policy and Goals

Robeco can only be successful if its employees are empowered and committed to the ambitions and core values of the company. We recognize that our people are key in realizing our company goals and actively promote diversity, equal opportunity, human capital development and a positive working environment for all our employees.

Robeco also believes that the companies in which we invest should abide by these principles and, through our active ownership activities, Robeco encourages its investee companies to adopt robust labour principles in line with the UNGC, ILO and other Human Rights principles. In 2014, Robeco engaged in 36 cases related to labour principles with companies.

Implementation Engagement

During 2014, Robeco began an engagement theme entitled "Health and Safety in the Clothing Sector" with 8 companies, focused around 5 engagement objectives which were: Policies and risk assessment, Risk management, Transparency and disclosure, Partnership and collaboration and Subcontractors and monitoring of second-tier relations in the chain.

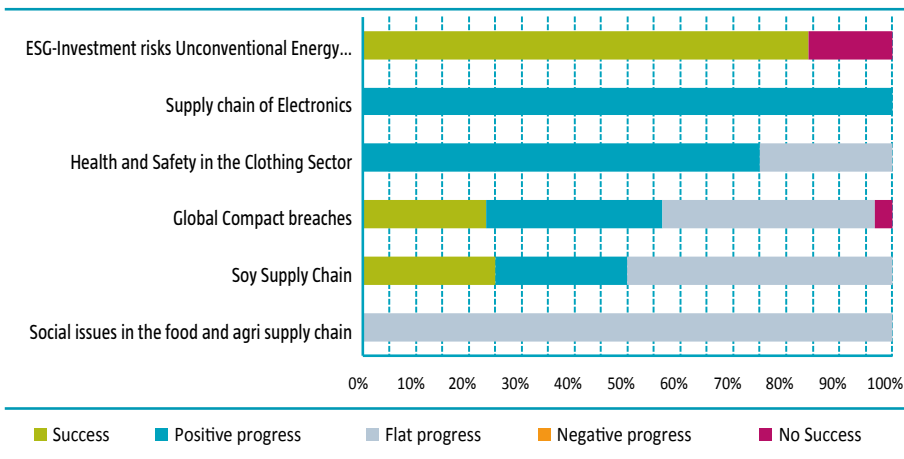
Preventing health and safety risks in the clothing sector is important for companies in the clothing industry. Their reputation is at risk and brand loyalty can be lost quickly due to the impact of social media, leading consumers to choose a competitor. Therefore preventing health and safety risks contributes to a better risk-return profile for investments in this sector.

DJSI: RobecoSAM believes that employees are a company's most important resource, as such it is important to treat its workforce with respect and dignity. Companies which don't follow recognized international standards will eventually lose their employees to companies which do, and expose themselves to reputational risks and liabilities thereby underperforming their peers in the long run. Hence, the DJSI ask all the companies assessed questions related to labour conditions, labour standards and workforce management practices.

Measurement of outcomes Engagement

We track the progress of our engagements, and regularly report this to our internal and external clients. A summary of our six labour related engagement themes is shown below.

Robeco can only be successful if its employees are empowered and committed to the ambitions and core values of the company



Below is an example of a Labour rights engagement we undertook in 2014.

Case Study: Labor conditions (Hon Hai)

Hon Hai is a producer of technology components and assembly company and one of the main suppliers to Apple. The company faced severe critics for the labour conditions in the factories in 2011 and general lack of transparency regarding business strategy and succession planning. Robeco leads the specific engagement on issues of board nomination and corporate governance and thereby contributes to the global investor coalition lead by Hermes EOS. Our objectives are:

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We held several conference calls with the company and stressed the need to improve their risk assessment of labour conditions at the factories, provide more clarity on succession planning and provide overall transparency on the business strategy.

- There has been a significant effort to reduce overtime to a maximum of 60 hours per month, which is, compared to other sectors sourcing in China, a great achievement.
- The company is willing to consider improving its nomination procedure.
- The company committed to provide more transparency on the overall business strategy to investors.

DJSI: Companies are asked to answer specific questions around labour practice indicators and labour rights and processes in place. On the basis of the quality of the answers, companies are assigned scores which allows for a ranking of companies. Companies are made aware of their scores, and they likely try to improve year over year versus their peers.

Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

Assessment, Policy and Goals

Robeco believes that companies taking into account the environment, society and relevant stakeholders are more likely to be able to deal with the future of their business. Related to the environment: In 2014, Robeco engaged in 69 cases with companies regarding environmental impact and management.

Implementation Engagement

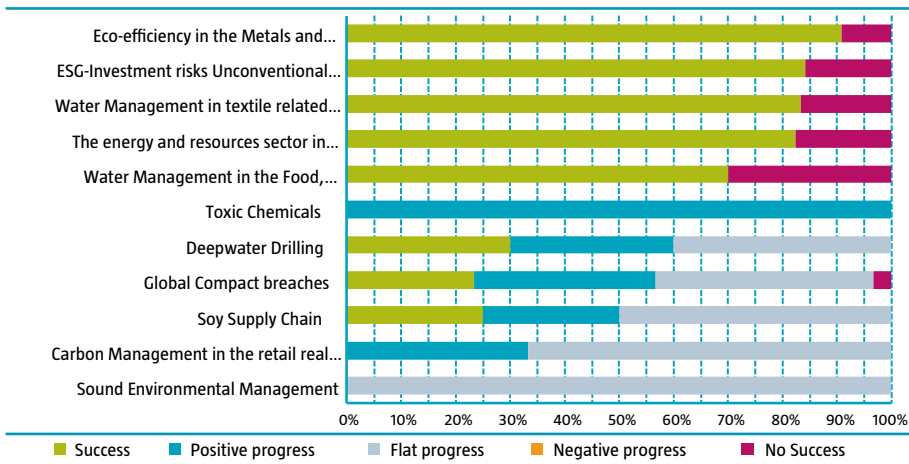
During 2014, Robeco began an engagement theme entitled “Carbon Management in the retail real estate trusts” with 13 companies, focused around 5 engagement objectives which were: Climate change management and legislation, License to operate, Environmental Management Systems, Occupiers Engagements, and Energy and Carbon Reductions. Managing carbon emissions is important for real estate companies for various reasons. First, carbon emissions management provides real estate companies with the ability to lower their costs through energy efficiency measures. Secondly, it reduces their environmental impact as a result of reduced carbon emissions. This is particularly important because the business case for environmentally friendly buildings is strongly based on the possibility of obtaining higher rents because of lower energy costs. Thirdly, it is also easier to market the building because it has a higher occupancy rate. Finally, there is less risk incurred by the imposition of stricter environmental requirements by the government. As investors in the real estate sector, we are therefore not only looking for real estate companies that seek to reduce costs, but for companies that integrate sustainability into their business in such a way that there is long-term security of tenants and long term value of the property created.

DJSI: RobecoSAM believes that climate change, water scarcity, energy scarcity, resources scarcity, pollution of the biosphere and decreasing biodiversity are trends which will have significant impact on the risk profiles of companies in the decades to come. At the same time, companies bringing solutions to these environmental challenges will benefit from those growth opportunities. Hence, companies which better manage these environmental risks and opportunities will outperform their peers in the future. thus the DJSI assesses companies on their ability to manage such environmental risks and opportunities.

Measurement of outcomes Engagement

We track the progress of our engagements, and regularly report this to our internal and external clients. A summary of our eleven environmental related engagement themes is shown below.

Robeco engaged in 69 cases with companies regarding environmental impact and management



Below is an example of an environmental engagement we undertook in 2014.

Case Study: Climate change and sustainability strategy in the real estate industry (Simon Property Group)

Simon Property Group is the world’s largest Retail Real Estate Investment Trust and, due to the key role which the real estate industry can play in reducing global greenhouse gas emissions, we have been engaging with the company over the last 18 months. Our objectives included increasing transparency on sustainability reporting and strategy, encouraging the use of building certifications such as BREEAM and LEED, developing a group wide Environmental Management System (EMS) based on ISO14000, to implement ‘green leases’ as part of their standard lease agreements and focusing on sustained absolute and relative reduction in energy consumption and GHG emissions. Our engagement has been ongoing for the last 18 months. As part of the initial engagement process, we exchanged emails with the company on their sustainability strategy based on our preliminary assessment of their website and Annual Report. We analyzed Simon’s 2013 and 2014 GRESB submissions and followed this up with an email to the company outlining specific points for improvement which we believed could be made. We had an initial conference call with the Head of Investor Relations at Simon, and the companies Head of Sustainability. Following the publication of the companies first CSR report in late 2014, we held a second conference call to discuss further areas for improvement.

During our initial conference call to discuss our findings with Simon’s sustainability team, we outlined our desire to see increased use of sustainable building certifications, a more comprehensive EMS, the publication of a sustainability report, and to begin to include ‘green’ criteria in the company lease agreements (a concept known as Green Lease). Following this request from Robeco and other investors, the company published its first sustainability report in late 2014, and has agreed to our request to include more quantitative data on sustainability performance as part of the 2014 CSR Report to be published in May 2015. This will include the use of intensity figures such as carbon emissions per footfall and the publication of targets.

DJSI: Companies are asked to report on environmental KPIs, and processes in place, such as climate strategy, CO2 emissions, energy usage, water usage, water related risks, toxic waste, recycling of products, life cycle analysis, etc. On the basis of the quality of the answers, companies are assigned scores which allows for a ranking of companies. Companies are made aware of their scores, and they try to improve year over year versus their peers.

Anti-Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Assessment, Policy and Goals

A company's corporate governance structure specifies the rights and responsibilities of the various stakeholders such as the management, the supervisory board and the shareholders. Robeco believes an effective corporate governance system should focus on long term business continuity and protecting shareholder interests. A well-functioning corporate governance system can contribute to long term shareholder value generation. In 2014, Robeco engaged in 33 cases corporate governance with companies.

Implementation Engagement

During 2014, Robeco began an engagement theme entitled "Corporate Risk Oversight in the mining sector" with 10 companies, focused around 3 engagement objectives which were: Improve risk oversight policy and governance, Improve risk oversight and management, and Improve risk management performance monitoring. Specifically improving risk oversight and management is strongly linked to the anti-corruption principles. Important parameters for adequate risk oversight and management include a regular board review of risks, appropriate communication channels between management and the board and a clear whistle blowing system. The company's board should assess the company's major ESG risks on a regular basis. Reviews should be forward and backward looking. These reviews should be reported publicly or shared with shareholders upon request.

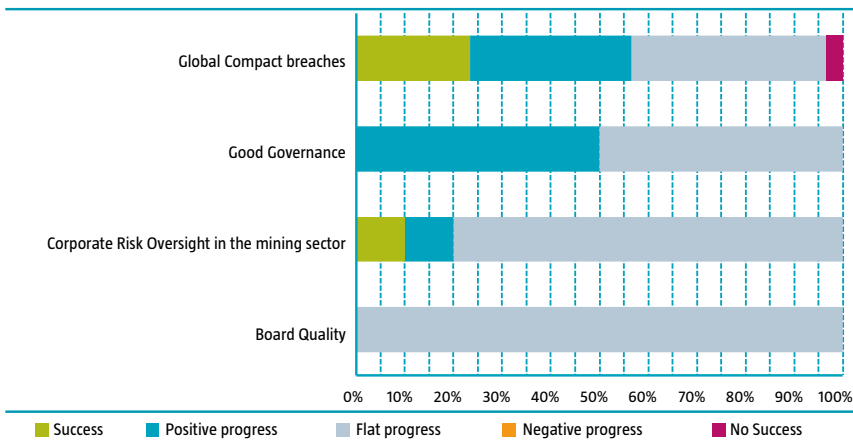
With regards to communication channels, it should be evident that management and the board communicate risk policies and issues to each other. The company has identified its main stakeholders and communicates with them on major risks. Whistleblowing systems should be in place in order for employees to seek advice on and draw attention to risks such as corruption without being harassed. Companies should be able to demonstrate that such systems work. Preferably these systems are provided or audited by third parties.

DJSI: Corruption represents high transaction cost for companies and limits fair competition, hence we believe that companies should do all they can to combat corruption in their spheres of influence. Processes put in place by companies to minimize corruption are assessed looking at companies' codes of conducts, educational systems, whistle blowing policy. Companies which better manage corruption risks will outperform their peers in the future. Thus the DJSI assesses companies on their ability to manage these risks.

Measurement of outcomes Engagement

We track the progress of our engagements, and regularly report this to our internal and external clients. A summary of our four corporate governance and corruption related engagement themes is shown below, along with an example of an anti-corruption engagement we undertook in 2014.

A well-functioning corporate governance system can contribute to long term shareholder value generation



Below is an example of an environmental engagement we undertook in 2014.

Case Study: Shareholder rights, board independence, corruption (Petrobras)

In recent past we've seen practices and decisions that appear to benefit the Brazilian government at the cost of minority shareholders. Our objectives are:

- Increase board independence and safeguard decision making processes that mitigate political influence
- Increase transparency on business practices and decision making process
- Protect the interest of minority shareholders.

Our process is based on a set of different tracks.

- To increase board independence we've collaborated with other institutional investors and nominated a second independent minority shareholder representative to the board. This requires a formal request to publish nominees to the AGM's agenda and can only be done with a certain amount of shares per share class
- We've written to the Brazilian financial authority, to investigate the legal and regulatory context of conflicts of interest and inquired about current proceedings
- Together with other investors we've written to the company's board to stress the importance of independent members on the audit committee. Robeco wrote a letter to the board with a full set of corporate governance improvements after it became clear the company was widely involved in a corruption scheme.
- Independence of the board has increased after our collaborative nomination received a majority of votes. The independent members of the board voice our concerns and provide a useful communication channel for shareholders.
- The non-independent board members have been irresponsive to our letters.
- The company is making some progress on its compliance and corporate governance systems, in line with our letter. Still the government influence is very dominant and general corporate governance practices remain weak.

DJSI: Companies are asked to answer specific questions about corruption, related KPIs, and processes in place. On the basis of the quality of the answers, companies are assigned scores which allows for a ranking of companies. Companies are made aware of their scores, which they likely try to improve year over year versus their peers.

Corporate Responsibility Report 2014

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1. Introduction

1.1 Introduction by Robeco CEO Roderick Munsters

I am proud to present our corporate responsibility report 2014. Robeco is a pioneer in sustainability investing, and client centricity is our starting point. Our mission is to enable our clients to achieve their financial objectives through superior investment returns and solutions. The central theme of our strategy 2014-2018 is 'accelerate growth'. Sustainability investing features prominently in this strategy. We believe and demonstrate that good corporate governance and social responsibility enhance the long-term risk-return profiles of our investment portfolios. The integration of sustainability investing and environmental, social and governance (ESG) aspects is a clear investment trend. Sustainability investing leads to better-informed investment decisions and we see sustainability as a general enabler of superior risk-return profiles. Sustainability investing is a business driver derived from strong and credible research, hence our constant wish to take sustainability research further. Our activities in the field of sustainability investing have led to sustainability becoming one of our core values. Indeed, in practicing what we preach we hold the view that corporate responsibility should be an integral part of everything we do, from handling investment portfolios for clients to running our own business.

This report describes our ambitions and progress in 2014. We are motivated to continue building on what we have achieved so far – in the best interest of our clients.

Roderick Munsters
CEO Robeco



1.2 Our ambitions at a glance

Theme	Ambitions
Client-centered	<ul style="list-style-type: none"> – Ongoing dialogue and communication with clients and subsequent learning and actions to continue to build long-term partnerships – Increase our insight into client satisfaction within Robeco Group – Continuously strive for operational excellence in the interest of our clients
Sustainability Investing	<ul style="list-style-type: none"> – Promote implementation of sustainability investing to clients – Increase the assets in which ESG criteria are incorporated – Increase the assets under voting – Increase the assets under dialogue
Governance	<ul style="list-style-type: none"> – Continuous optimization of the effectiveness of our internal controls in the interest of our clients – Operate in a model where accountability and a balance of power can be demonstrated
HRM	<ul style="list-style-type: none"> – Hire, grow and retain diverse talent – Invest in the personal and professional development of our employees – Support and promote health and vitality of our employees – Score higher than the benchmark on employee engagement
Environment	<ul style="list-style-type: none"> – Conscious in our use of resources
Society	<ul style="list-style-type: none"> – Provide funds and time to employees and initiatives throughout our company for meaningful, diversified and local commitments to programs that benefit society

1.3 About this report

Our report for 2014 shows the progress made in the field of corporate responsibility.

Where possible, Robeco has included and aggregated all majority subsidiaries and assets under management in this report. Where applicable, the report provides more detailed information on the scope of the policy pursued and the data presented (e.g., divergent approaches in local market practices and different Robeco divisions, and the resulting data variances).

For further financial data and more information on Robeco in 2014, we refer to the Performance Insights 2014 published simultaneously with this report.

1.4 Robeco in a nutshell

Robeco, a global asset manager, offers a mix of investment solutions and products in a broad range of strategies to institutional and private investors worldwide. The company has EUR 246 billion in assets under management, of which 48% is managed for institutional clients, with a net profit of EUR 228 million (as at 31 December 2014). Robeco's head office is located in Rotterdam, the Netherlands, and the company has 1,218 employees in 15 countries (end of 2014). The company has a strong European and US client base and a developing presence in key emerging markets such as Asia, India and Latin America. Founded as 'Rotterdamsch Beleggings Consortium' in 1929 in the Netherlands, Robeco was acquired by ORIX Corporation in 2013. Rabobank has remained a minority shareholder. The following subsidiaries and joint ventures form part of Robeco Group: Robeco Institutional Asset Management B.V. (RIAM), Robeco Investment Management Inc. (RIM), Harbor Capital Advisors Inc. (HCA), Transtrend B.V. (Transtrend), RobecoSAM AG (RobecoSAM) and Canara Robeco Asset Management Company Ltd.



2. Client-centered

Ambitions

Ongoing dialogue and communication with clients and subsequent learning and actions to continue to build long-term partnerships

Increase the insight into client satisfaction within Robeco Group

Continuously strive for operational excellence in the interest of our clients

Highlights

- Next to many regular client contacts, we have organized a large number of client events and published many reports, magazines and research papers with the aim of supporting our clients in making their financial decisions
- We have subscribed to the European IPE Pension Fund Perception Program
- RIAM has upgraded its client reporting by implementing a new client reporting tool
- RIM has streamlined its client reporting process, resulting in a shorter timeline for monthly and quarterly reporting
- HCA received a NQR 5 star award for client call center performance

We consistently think and act in the best interest of our clients. We want to enable our clients to achieve their financial objectives through superior investment returns and solutions.

2.1 Knowing our clients

In our relationship with clients to whom we give investment advice, we make sure that we have sufficient information on their financial situation, investment objectives, risk profile and other relevant background data to assess which products and services are suitable for them. A good match between our products or services and our client's profile is key in our approach. Robeco monitors the development of client portfolios and provides clients with transparent information on relevant developments directly related to their own portfolio and other relevant Robeco services and products.

2.2 Client research and satisfaction

In addition to intensive personal interaction between institutional clients and distribution partners and Robeco's senior management, account managers, client-servicing teams and portfolio managers, we ensure via both bespoke and syndicated market research that we remain alert to market trends and client needs.

For direct retail distribution clients in the Netherlands only, we use third-party client panels, for example, as well as continuous feedback loops on our website and ad-hoc surveys to obtain feedback and information on our products,

services and clients' needs. In this direct retail domain, 92% of our clients value their contacts with Robeco employees as good or excellent.

For wholesale distribution and institutional clients we perform ad-hoc surveys on specific topics (examples are: input for developing a new multi-asset product for the Dutch retail market investors aiming to build up sufficient pension reserves, and a survey among Swiss pension fund members asking about their opinion on ESG integration in the investment policies of their pension fund. For repetitive client-satisfaction research we prefer to join syndicated research initiatives, together with other asset managers. We embrace such industry initiatives as an effective way for both our clients and ourselves to obtain independent feedback on our products and services and to obtain insight into areas where we could potentially improve. For example, on the institutional side we have subscribed to the European IPE Pension Fund Perception Program (PFPP). This is an initiative by a large number of European pension funds (approximately 2,000 are expected to participate) that went live in Q4 2014 to independently rate servicing by asset managers. We look forward to obtaining the results of PFPP as of 2015 and are committed to following up on our clients' feedback if necessary.

2.3 Operational excellence

Based on intensive client contact, client research and the processes described above, we identify concrete actions and projects to constantly improve our servicing.

RIAM

In 2014, RIAM upgraded its client reporting by implementing a new client reporting tool. This tool enabled the institutional reporting process to be reduced by two to three business days on average. It also enables Robeco to automatically update approximately 7,000 factsheets on a monthly basis. These factsheets are published on the Robeco websites in different languages. The benefit for clients lies in faster access to factsheets and greater viewing ease, since much attention has been paid to providing the information in a more consistent and readable layout. As part of the rollout, a specific sustainability investing section with ESG characteristics was added to the factsheets in Q4 2014.

RIM

RIM has streamlined its client reporting process, resulting in a shorter timeline of one to two business days depending on the type of report for monthly and quarterly reporting .

Direct retail Netherlands

In 2014, the Dutch direct retail team further improved their online service concept. Examples of major improvements are an easier login process, the ability to transfer money via IDEAL (a generic electronic payment platform supported by all major Dutch banks), an extended chat function and better information on historical portfolios and transactions.

HCA

In an effort to address the growing population of HCA's clients who prefer to access information on the funds from their mobile devices, HCA launched a mobile app in 2014. This allows easy access to data on our funds whenever they need it and wherever they may be.

Additionally, to better service the needs of institutional and intermediary relationships, HCA increased its client servicing organization by 25%, well in line with the growth of HCA over the past few years.

HCA received a 5-Star rating for call center service quality and processing operations in Q4 2014 from the National Quality Review (NQR). NQR 5-Star performance is defined as the statistical performance range (at 95% confidence) for NQR's top quartile companies. NQR's 5-Star performance is computed annually and is awarded to clients whose

4-quarter rolling average compares favorably to the top quartile of the NQR benchmark for the previous year.

HCA's call center team achieved the NQR 5-Star designation with an average quality rating of 2.96 for the 12-month period ending December 2014. In 2014, the NQR 5-Star threshold for call center service was 2.91. HCA first became eligible for the NQR 5-Star performance rating in Q2 2009 and has consistently maintained 5-Star performance since Q3 2009. In addition, NQR's Best-In-Class service rating is awarded to the firm attaining the highest quality rating in a particular service area. HCA was designated NQR Best-In-Class for overall call center performance in Q4 2014.

2.4 Complaints

Robeco is appreciative of and alert to complaints and other signals from our clients, as they provided valuable input for further improving our products and client servicing. All Robeco's operating companies have procedures in place to ensure that complaints are handled in a prompt and appropriate way and are followed up with suitable measures. Senior management receives complaints reports on a regular basis. Robeco's audit program assesses regularly if our complaints procedures are effective and efficient or require improvements.

2.5 Products and services

2.5.1 Product approval

Robeco aims to develop high-quality products. Before a product is introduced to the market, all product proposals are assessed from the perspective of client interest, performance, financial and operational risk, regulatory requirements, reputation and liability aspects. Robeco's product- and service-approval procedures help to speed up the development process of new and revised products and services by ensuring that the relevant discussions are held at the right time, and that decisions are made by the right people in the right positions. Within the scope of these procedures, Robeco addresses all matters that influence its business model, client offerings and/or risk levels. Clearly, Robeco ensures that all products comply with the applicable laws and regulations.

2.5.2 Product solutions

Robeco often has occasion to co-create mandates in close cooperation with institutional clients. Some examples in 2015 are:

- Including the Sustainalytics exclusion list in a European High Yield mandate for the pension fund of a German religious organization;
- Tailoring our Asia-Pacific Equity capability for a bespoke mandate for a large Sovereign Wealth Fund from the Middle East;
- Combining our strong Robeco US Equity capability with a sustainability investing overlay provided by RobecoSAM to meet the specific request of a French institutional investor.

2.5.3 Product monitoring

Robeco monitors its products according to six criteria:

- Client interest;
- Relative and absolute performance;
- Financial risk;
- Operational risk;
- Publicity;
- Regulatory aspects.

Some of these criteria are quantified, whilst others are qualitative. We implement follow-up measures where necessary, and input is obtained from various departments throughout the Robeco organization.

2.5.4 Transparency

We aim to make the information that we provide about our products and services easy to understand, and try to provide sufficient information to our clients, on which they can base their investment decisions. Robeco strives for a maximum level of transparency for its products and services in terms of their characteristics, including the risks, costs and fees.

2.5.5 Security and privacy

Safeguarding the integrity and confidentiality of Robeco's data is essential in providing services and protecting ourselves from cyber criminality. Robeco has implemented advanced technical security solutions to manage security risks related to cybercrime and to protect the privacy of our customers.

2.6 Knowledge-sharing

Independent thinking is at the core of our activities and we like to share the results of these thought processes with our clients. Robeco has many ways of sharing knowledge with its stakeholders.

A few examples of client events and publications are given below.

Client events

- During the annual event 'Robeco Live', the company presented its macro-economic outlook for 2014 to wholesale and institutional clients (on 16 January 2014) and to retail clients (on 17 and 18 January 2014). Robeco Live hosted some 850 clients in Rotterdam to share insights. Robeco's specialists gave topical, in-depth analyses and opinions on key investment themes. Internal and external experts presented their vision for the coming financial year. In addition, 370 clients participated in the event online;
- On 10 April 2014, the Robeco World Investment Forum (RWIF) brought together the world's leading thinkers to speak on the most pressing economic issues of our times at the Krasnapolsky Hotel in Amsterdam. The central theme was: 'Riding the waves: from long-term trends to investment decisions'. Around 120 institutional clients and distribution partners from across the globe attended the RWIF together with international keynote speakers, such as Parag Khanna, Paul Craven and Ben Hammersly, and speakers from Robeco. Special keynote speaker was former prime minister of Greece, George Papandreou;
- Robeco organized two seminars on Factor Investing in 2014 with speakers from inside and outside Robeco. The aim of these seminars was to share knowledge on Factor Investing and to create a platform for discussion. New in 2014 was the possibility to join the seminar via a live webcast;
- The RobecoSAM Forum 2014 'Mobilizing Capital: Putting Sustainability To Work' was held in Zurich on 2 and 3 October 2014. The RobecoSAM Forum is a two-day conference that connects corporates and asset owners with a group of outstanding speakers and RobecoSAM experts. The aim is to exchange views on the impact of sustainability trends on the financial

markets and to promote sustainability investing as a mainstream strategy. More than 270 delegates from over 20 countries attended the forum in 2014. Assets under management represented by investors at the forum totaled USD 8 trillion; market capitalization represented by companies at the forum totaled USD 1.3 trillion.

Publications

- On 19 January 2015, RobecoSAM announced the publication of The Sustainability Yearbook 2015;
- RobecoSAM's quarterly Advance Magazine contains the latest news, research and insights on sustainability investing;
- Performance Insights 2013, a magazine on Robeco's

principal developments and results in 2013, was published in early 2014. In March 2015, Robeco published Performance Insights 2014;

- In November 2014, Robeco issued its annual outlook for the coming year 'Outlook 2015: The return of volatility'.

Other

- In 2014 many of our clients were faced with the introduction of Foreign Account Tax Compliance regulation (FATCA). The complexity of this regulatory system and the short implementation period places a heavy burden on some of our clients. Having been made aware of this by a number of relationship managers, we took action and set up meetings with clients to share Robeco's knowledge and experience on FATCA.

Sponsorship for Volvo Ocean Race 2014-2015

Robeco is proud sponsor of Team Brunel, the Dutch entry in the Volvo Ocean Race 2014-2015.

Sailing has many parallels to successful investing. Robeco's investments are research-driven and based on quant models. Similarly, Team Brunel's skipper and navigator use data analytics and data modeling on board. Another thing that successful sailors and investors have in common is that they both combine technical know-how with effective teamwork in leveraging the human aspect. No ocean-going yacht can operate without everyone pulling together, and the principle that we are "all in the same boat" is one Robeco has long been accustomed to applying in dealing with clients. The round-the-world pioneering spirit is embedded in Robeco's DNA: Robeco was the first to take sustainability investing seriously; the first to invest in emerging markets; and one of the first to make use of data analysis based on quant models.

This sponsorship underpins Robeco's Strategy 2014-2018 to grow mainly outside the Netherlands and raise the company's international profile. Robeco strongly believes that hospitality opportunities from sponsoring Team Brunel will give the company a great international platform to strengthen its rapport with clients.

3. Sustainability Investing

Ambitions

Promote implementation of sustainability investing to clients

Increase the assets in which ESG criteria are incorporated

Increase the assets under voting

Increase the assets under engagement

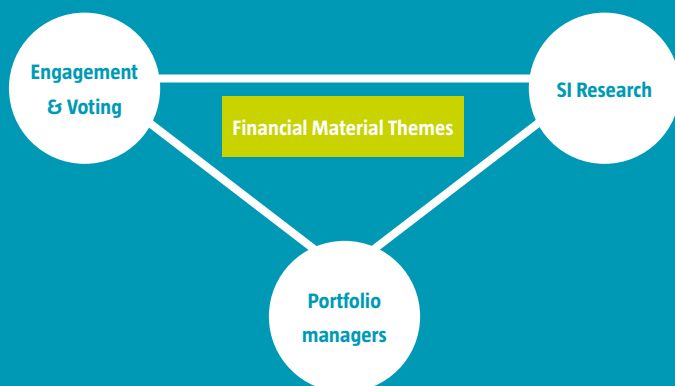
Highlights

- More and more, sustainability investing and ESG integration resonate with both institutional investors and private banks. In 2014, Robeco organized multiple client-specific workshop programs at senior-management level. The idea was to jointly translate the Robeco sustainability investing/ESG investment know-how into investment policies and service concepts for these clients
- Assets in which ESG integration has been implemented at year end: EUR 82.6 billion (2013: EUR 74.7 billion)
- Assets under voting: EUR 41.4 billion at year end (2013: EUR 37.6 billion)
- Robeco voted at 3,420 shareholders' meetings
- Assets under engagement: EUR 65.6 billion at year end (2013: EUR 53.7 billion)
- Active dialogue with 135 companies worldwide
- Start of 4 new engagement themes in 2014

Sustainability investing is integral to Robeco's overall strategy. This is because we are convinced that integrating environmental, social and governance (ESG) factors results in better-informed investment decisions. Further we believe that our engagement with companies in which we invest will have a positive impact on our investment results and on society. Our engagement covers companies worldwide. Within Robeco investors, researchers and the voting and engagement specialists work closely together focusing on the jointly determined financially material themes.

3.1 Active ownership

Robeco's engagement program covers companies worldwide in equity and credit portfolios and engagement is also applied to private equity. Engagement focuses on financially material ESG issues and is executed in collaboration with portfolio managers and analysts. Robeco uses ESG data that is collected in-house by RobecoSAM.



Robeco and sustainability investing in figures (total AuM 2014: EUR 246 billion)

(Year end, in billion euros)	2014	2013
Assets in sustainability theme funds	2.8	3.1
Assets for which ESG integration has been implemented	82.6	74.7*
Assets 'under engagement'	65.6	53.7
Assets 'under voting'	41.4	37.6

* adjusted to current methodology (the standard for inclusion was raised during 2014).

3.1.1 Voting

Robeco has adopted a voting policy to ensure that we vote proxies in the best interest of our clients. The Robeco policy on corporate governance relies on the internationally accepted set of principles of the International Corporate Governance Network (ICGN).


- Assets under voting: 2014: EUR 41.4 billion (2013:EUR 37.6 billion);
- Voted at 3,420 shareholders' meeting. In 1982 (58%) of all meetings we voted differently than management recommendations for at least 1 resolution;
- Voted at 38,576 agenda items;
 - 86% of resolutions voted for management recommendations;
 - 13% of resolutions voted against management recommendations;
 - 1% abstentions.

Recommendations on voting

Robeco has been closely involved in developing a set of recommendations for voting for the Dutch regulatory body Authority for Financial Markets (AFM). In March 2014, the AFM published a report discussing the problems in the voting chain, primarily the lack of verifiability and transparency. In the report, the AFM makes recommendations on how to deal with this issue. The AFM consulted a number of parties, including Robeco. Robeco's insights based on our constant efforts to improve the voting chain have been expressly included in the report.

Voting per region

	2014	2013
North America	30%	28%
Europe	23%	23%
Pacific	17%	22%
Emerging Markets	30%	27%



3.1.2 Engagement equity and credits

In 2005, Robeco began encouraging the management teams of companies in which it invests to implement good corporate governance and pursue environmental and human-rights policies, the aim being to increase long-term value for shareholders. Issues such as corporate-risk oversight, human-rights policy, and environmental risk management are all covered in our discussions with companies. We use the information provided to make an ESG risk assessment of the companies we invest in and encourage companies to change their conduct.

2014 saw the start of four new engagement themes: social issues in food & agri supply chain, board quality, toxic chemicals and data privacy. Robeco's themes run for three years and we typically work on 8 to 12 themes in parallel.

Robeco has set up a team of specialists dedicated to analyzing environmental, social and governance issues. Every quarter, we publish an overview of our activities as a sustainable asset manager on our website. In 2014, Robeco conducted 169 engagement cases with a total of 135 companies worldwide and achieved good results in the oil and gas sector, the textile industry and the mining sector.

Engagement

(Engagement cases per theme)	2014	2013
Corporate Governance	33	35
Healthy Living	9	8
Community	4	13
Human Rights	23	7
Human Capital	0	11
Global Compact Breaches	31	58
Environmental Impact	18	31
Environmental Management	51	58

Part of Robeco's active-ownership strategy concentrates on companies that systematically and severely breach the United Nations Global Compact. This is called enhanced engagement. If an enhanced-engagement dialogue does not lead to the desired result, the Management Board may decide to exclude the company in question for investments. The process for enhanced engagement is a formal part of Robeco's exclusion policy.

Engagement per region

	2014	2013
North America	30%	41%
Europe	47%	42%
Pacific	10%	5%
Emerging markets	13%	12%



3.1.3 Engagement private equity

RobecoSAM private equity engages with General Partners (GPs) on ESG issues and released its annual ESG Engagement Report in June 2014. It is the eighth consecutive report since the start of the engagement program back in 2004. Due to a substantial increase in investments and new programs, this has been RobecoSAM's largest annual ESG assessment to date and includes 66 GPs. Over the last three years, the GPs in RobecoSAM's engagement universe have improved their ESG strategy and policy, as well as their environmental, social and governance approach.

3.1.4 Exclusion

Robeco has implemented an exclusion policy for companies involved in the production of, or trade in, controversial weapons such as cluster munitions and anti-personnel mines and for companies that structurally and severely breach the United Nations Global Compact. For that last category, Robeco considers exclusion to be an action of last resort, only to be used after all other dialogue-based methods to persuade a company to improve its practices have failed. Robeco re-evaluates the practices of excluded companies at least once a year, and may decide to reinstate a company in the investment universe at any time if it can show that the desired change has been implemented. Robeco's exclusion policy and exclusion list are published on our website.

3.2 ESG integration

Robeco systematically integrates ESG factors into its investment activities with a focus on financially material ESG issues (positive and negative), that may affect investment decisions. We are convinced that taking ESG criteria into account results in better-informed investment decisions and is necessary to fully grasp the risks and opportunities that are associated with the businesses in which we invest. In its most fundamental sense, integration thus involves the adjustment of financial model assumptions based on the sustainability performance of a company.

The way in which we incorporate extra-financial factors into our mainstream investment processes is tailored to the characteristics of each individual investment strategy. Further RobecoSAM has a range of sustainable funds.

The goal of ESG integration has been at the foundation of RobecoSAM's Corporate Sustainability Assessment methodology since it was first introduced in 1999. Such a focus has also led us to develop an economic profit model that adjusts the assumptions of the return on invested capital and the weighted average cost of capital in order to obtain a fair value that balances short-term financial projections with the consideration of long-term sustainability factors. We strive to understand how the company's performance on specific sustainability factors and its positioning toward long-term trends influence our long-term view of a company's true value. By working together

Hon Hai pressed for better governance and labor standards

As a sustainable investor, Robeco is convinced that engaging with companies on the most material sustainability issues enhances their competitiveness and profitability. In addition, it generates measurable benefits for investors and society as a whole. A good example is our engagement with Taiwanese electronics company Hon Hai, a major supplier to many electronics companies, including Apple.

A group of more than 30 institutional investors from all over the world, including Robeco, were represented at Hon Hai's shareholders' meeting, which was held in Taiwan on 25 June 2014. At the meeting we expressed our concerns about the company's transparency, board composition and human-capital management. We addressed Hon Hai's limited communication about its long-term objectives, strategy and business model. We also asked the Chairman to explain how the Board of Directors assesses its experience, skills and performance. The third issue concerned Hon Hai's working conditions and employee relations. Serious questions about this issue have been raised following a series of severe incidents related to labor standards at the company's sites.

In early November, we held a conference call with the company to discuss labor standards and corporate governance further. The next step was an investor-group letter signed by Robeco CEO Roderick Munsters to the chairman of Hon Hai with more concrete suggestions for improvement.

with the leading companies, we are able to gain greater insight into how sustainability adds value to the business, which in turn helps us enhance our financial models.

Besides using in-house ESG data from RobecoSAM, the engagement insights and results are also taken into account when assessing the sustainability performance of a company.

3.2.1 Country Sustainability Ranking

Robeco developed a comprehensive and systematic ESG ranking framework for countries, designed to complement

sovereign bond ratings developed by traditional rating agencies. A group of 56 countries are assessed on the basis of various sustainability criteria. The ranking is updated twice a year. By focusing on selected ESG factors such as aging, competitiveness and environmental risks – which are long-term in nature – and taking into account a country's position in the economic cycle, the country rankings offer a view into a country's strengths and weaknesses that are not typically covered by rating agencies. Used in combination, standard sovereign bond ratings and Robeco's country ESG rankings can be a powerful tool to enhance risk analysis for government bonds, enabling investors to make better-informed investment decisions.

3.2.2 Employee pensions

Sustainability investing is also applied for the Dutch Robeco pension fund, which only selects funds that have a responsible investment policy in place and that have integrated ESG factors into their investment analyses and decisions wherever possible. The Robeco pension fund discloses its responsible investment approach to the pension-scheme members.

3.3 Promoting the implementation of sustainability investing

3.3.1 Sustainability initiatives

In March 2014, Robeco became an independent participant in the United Nations Global Compact, after having participated for more than ten years via Rabobank Group. Robeco's shareholder ORIX also joined the United Nations Global Compact in 2014. The UN Global Compact is a strategic initiative for businesses that are committed to aligning their strategies and operations with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption. By doing so, business as a primary driver of globalization can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

As part of our commitment to making financial markets more sustainable, Robeco and RobecoSAM are also members of organizations such as the European Sustainable Investment Forum (Eurosif), UNPRI, Association for Sustainable and Responsible Investment in Asia (ASRIA),

Joint venture with ADB and ORIX for private equity investments in climate-related transactions

Robeco has joined forces with the Asian Development Bank (ADB) and ORIX to set up Asia Climate Partners (ACP), a joint venture that will undertake commercially-oriented private equity investments across a variety of environmentally supportive, low-carbon transactions throughout Asia. The announcement was made in August 2014.

ACP, which will be capitalized initially with USD 392 million from its founding partners, is based in Hong Kong and staffed by a team of experienced private equity investment professionals, including a number of specialists from Robeco and RobecoSAM. It will be 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.

Robeco considers ACP to be an important milestone in its collaboration with ORIX and a boost for its strategic objectives, including further expanding our position in sustainability investing.

ACP will benefit from the combined strengths of Robeco as a global asset manager and ORIX and ADB, which are two of the most active and successful investors in the low-carbon sector in Asia.

Asian Corporate Governance Association (ACGA), Eumedion, The Institutional Investors Group on Climate Change (IIGCC), Certification of Environmental Standards (Ceres) and Swiss Sustainable Finance. The active contribution to these important platforms for collaborative action on sustainability issues enables Robeco to help shape the global investment agenda.

3.3.2 Sustainability investing fund classification

Robeco has developed a comprehensive sustainability investing fund classification system. It summarizes all the sustainability investing characteristics for each Robeco and RobecoSAM fund. The overview provides answers to the following questions:

- Is voting applied to the portfolio?
- Is engagement applied to the portfolio?
- Are environmental, social and governance (ESG) factors systematically taken into account in investment decisions for the portfolio?
- What is the ESG integration classification according to the United Nations Principles for Responsible Investment (UN PRI)?
- What is the ESG integration policy?

Robeco's sustainability investing fund classification is the first of its kind among asset managers and further strengthens Robeco's leadership position as a sustainability investing manager that fully incorporates ESG integration into its capabilities wherever feasible.

3.3.3 Corporate sustainability assessment

On 19 January 2015, RobecoSAM announced the publication of The Sustainability Yearbook 2015. The yearbook describes the latest trends in sustainability research and industry-specific, material ESG drivers. It is based on our corporate sustainability assessment and has become a global reference book for corporate sustainability. The Yearbook looks back at companies' sustainability performance in 2014, includes the best 15% per industry and ranks them Gold, Silver or Bronze. The top performing company from each of the 59 industries analyzed is awarded RobecoSAM Industry Leader status. Split by region, Europe holds the greatest number of companies included in the Yearbook as well as the most RobecoSAM Gold Class medal winners.

Since 1999, RobecoSAM has assessed the sustainability performance of the largest listed companies on a yearly basis. 830 companies from 42 different countries participated in the latest RobecoSAM Corporate Sustainability Assessment (CSA) and reported on their performance in financially material ESG criteria. With a total of 1,995 assessed companies, this year's CSA provides a record 87% coverage rate of the total global Yearbook universe market capitalization. In Europe the coverage rate was 92%, in North America 90%, in Asia Pacific 88%, and in the Emerging Markets 61%.

3.3.4 Dow Jones Sustainability Indices

The Dow Jones Sustainability World Index was launched in 1999 as the first global sustainability benchmark. The Dow Jones Sustainability Index family is offered cooperatively by RobecoSAM and S&P Dow Jones Indices. The family tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria. The 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.

The Dow Jones Sustainability Index family comprises global, regional, and country benchmarks. S&P Dow Jones Indices and RobecoSAM together can create customized versions of the indices, as well as sustainability-optimized versions of standard indices with low tracking error, to meet investors' specific requirements for their unique investment objectives, including industry and country exclusions.

3.3.5 Sustainability services

Through its long-standing commitment to sustainability investing, RobecoSAM has gained extensive knowledge and expertise in sustainability trends, strategies and investor concerns. RobecoSAM's Sustainability Services division offers a range of services that allow companies, experts and practitioners to evaluate sustainability performance. RobecoSAM offers institutions customized training and sustainability-management solutions as well as national sustainability benchmarking.

RobecoSAM also performs the measuring of the quantitative impact of holdings and portfolios regarding environmental

or social objectives. This Impact Monitoring service includes ESG optimization, environmental impact and social impact, as well as exclusion. Impact data is also used for portfolio construction (e.g., the portfolio is optimized by tilting a company's original benchmark weight according to the relative performance compared to its industry peers). This can be combined with a best-in-class approach that ensures a selection of the leaders in a specific field.

4. Governance

Ambitions

Continuous optimization of the effectiveness of our internal controls in the interest of our clients. Operate in a model where accountability and a balance of power can be demonstrated

Highlights

– In 2014 Robeco developed an Enterprise Risk Management framework, consisting of risk taxonomy, a risk appetite statement and a risk report. The purpose of the framework is to more explicitly and effectively integrate risk management dimensions into strategic decision-making

Robeco ensures that its corporate management is strong, responsible and transparent and guarantees the interests of all stakeholders.

4.1 Mission

Our mission is: “To enable our clients to achieve their financial objectives through superior investment returns and solutions”. Our key convictions are as follows:

- Since our establishment in 1929, we have maintained a long-term view on investing;
- Every investment strategy should be research-driven and executed in a disciplined way;
- Solid risk management is essential for successful investing;
- Sustainability investing leads to better-informed investment decisions.

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

4.2 Robeco Strategy 2014-2018

In March 2014, Robeco presented its Strategy 2014-2018. Its central theme is ‘Accelerating growth’. It builds on the choices Robeco made in 2010 and the company’s achievements in the past years, and is supported by ORIX. The cornerstone of the strategy remains to consistently think and act in the best interest of our clients within the framework of a profitable investment-management company. Robeco’s commitment to client centricity is reflected in its mission statement and core values.

4.2.1 Core values

Our core values embody the essence of Robeco and serve as a touchstone for our daily work. They enhance a clear shared identity that drives the behavior required for executing our strategy.

Client-centered

Our clients justify our existence. We consistently think and act in their best interest. In all we do, we ask ourselves what the added value is for our clients. We show a genuine interest in our clients and make an effort to understand their situation and goals. We deliver on our clients’ expectations and we set our sights on a long-term relationship. In the end, the results we achieve for our clients are the only measure of success.

Innovative

The world is constantly changing, and every day poses new challenges for our clients and our organization. We meet these challenges with a broad and long-term view, an inquisitive mindset, an inclination to challenge the status quo, a strong commitment to thorough analysis and the will to take the lead.

Sustainable

We are convinced that companies with sustainable business practices are more successful. We seek sustainability in everything we do and we anticipate future developments. Our actions are based on a long-term view and a thorough approach, both to investing and client relations. We reckon with the long-term impact of our actions. We carefully manage risks and we are conscious of the costs and the resources we use.

Connecting

Robeco is an organization of specialists, each with their own unique expertise. We actively share our knowledge and work

together to leverage the organization's collective genius and skills in order to achieve the best possible results for our clients. We show each other respect, treat others as we wish to be treated ourselves and we think and act in the best interests of Robeco as a whole.

4.3 Boards of directors

4.3.1 Supervisory Board

In 2014 the Supervisory Board of Robeco Groep N.V. met seven times. The Supervisory Board meetings were attended by most of its members and the members of the Management Board of Robeco.

In the meetings of the board and its respective committees, due attention was paid to developments in the financial markets, the performance of the Robeco products, the position of clients and the financial results. The board understands and endorses the emphasis on regulatory control resulting in a process of constantly increasing and changing rules and regulations. This subject therefore receives the board's due attention and is dealt with at every meeting.

Strategy development

An important item on the agenda of the Supervisory Board in 2014 was the Strategy Plan 2014-2018. Subsequent to the presentation and discussion of the outline of the plan submitted by the Management Board in December 2013, it was placed on the agenda of two meetings in February 2014. After extensive discussions with the Management Board of issues including regional focus, investment capabilities and growth perspectives, the Supervisory Board approved the plan.

In February 2014 the Supervisory Board was informed of the envisaged corporate restructuring, which was endorsed. The board was updated regularly in the course of the year, and most of the restructuring process was completed in December.

Members of Robeco's Supervisory Board

- D.P.M. (Dick) Verbeek (1950), Chairman;
- A. (Bert) Bruggink (1963) until 21 January 2015;
- A.C. (Arjen) Dorland (1955);
- S.E. (Sjoerd) Eisma (1949);
- M.E. (Michael) Gower (1975) since 21 January 2015;
- J.J.M. (Jeroen) Kremers (1958) since 3 February 2014;
- M. (Makoto) Inoue (1952);
- Y. (Yoshihiko) Miyauchi (1935);
- J. J. (Jan) Nooitgedagt (1953);
- A.M. (Alan) Rubenstein (1956) since 24 February 2014.

All Supervisory Board members have sworn the Dutch banking oath.

4.3.2 Management Board

The Management Board of Robeco Groep N.V. acts on the basis of shared responsibility, on the understanding that all members have their own focus areas.

- R.M.S.M. (Roderick) Munsters (1963), Chairman and Chief Executive Officer;
- L.M.T. (Leni) Boeren (1963), Chief Operating Officer;
- H.W.D.G. (Hester) Borrie (1969), Head of Sales & Marketing;
- H.A.A. (Hans) Rademaker (1962), Head of Investments;
- J.B.J. (Jurgen) Stegmann (1960), Chief Financial Officer.



All Management Board members have signed an Integrity Statement and sworn the Dutch banking oath.

On 28 October 2014 it was announced that Mr. Jurgen Stegmann had decided against a second term in office after his present term of appointment expires in June 2015. A successor for the position of CFO has not yet been appointed. An appointment is subject to approval by the Dutch Authority for Financial Markets (AFM).

4.3.3 Diversity in Robeco's boards of directors

Since 1 January 2013, it has been a legal requirement for companies to aim to have at least a 30% quota of women on their management and supervisory boards. Robeco's Management Board consists of two women and three men, and therefore meets the required percentages. The current composition of the Supervisory Board does not meet this requirement. Although several vacancies recently arose in the Supervisory Board, no available female candidate fitted the profiles required. In appointing new future members, finding a suitable female candidate will be an additional and important profile item.

4.3.4 Corporate structure

The successful execution of the Strategy 2014-2018 requires a corporate structure that will support further international growth. In order to achieve this, Robeco has established a new corporate structure, where activities are regionally separated.

Prior to adjusting the corporate structure and repositioning a number of operating companies, Robeco has restructured and simplified its legal and regulatory license structure in the Netherlands. On 2 July 2014, Robeco Securities Lending B.V. and Robeco Direct N.V. were merged with Robeco Institutional Asset Management B.V. (RIAM). RIAM is continuing the activities of both Robeco Securities Lending B.V. and Robeco Direct N.V., both of which ceased to exist on that same date.

As a result of these changes, Robeco started the process of adapting its corporate structure and finalized the majority of steps required in mid-December 2014, when it established three regional sub-holding companies: Robeco Europe Holding B.V., Robeco Asia Holding B.V. and Robeco US

Holding B.V. The project was completed as per mid-February 2015.

4.4 Risk Management

The following section presents an overview of Robeco's approach to risk management and contains a description of the nature of the risks involved. The main risks currently known to Robeco are highlighted, but this overview does not include all the potential risks that may ultimately affect Robeco.

4.4.1 Governance

Robeco's risk management is built on a model incorporating three lines of defense. This starts with a primary risk-management responsibility for line management in their day-to-day decision-making process. The second-line functions are fulfilled by Group Compliance (GC) and Group Risk Management (GRM), which develop and maintain risk policies and frameworks to enable line management to effectively handle their risk-management responsibilities.

The Group Internal Audit function (GIA) acts as the third line of defense and provides independent assurance on internal control by means of various audits and reviews. Both the second and third-line activities are independent, with no link to Robeco's commercial functions. GC and GIA report directly to the CEO. GRM reports directly to the CFO. Furthermore, Robeco has established several cross-functional committees that have specific decision-making power.

4.4.2 Audit & Risk Committee

The Supervisory Board of Robeco established the Audit & Risk Committee (A&RC) to supervise the financial reporting process, the control environment, the system of internal controls, risk management and internal audit. The A&RC also reviews the process used to monitor compliance with legislative and regulatory requirements and its own internal policies. The A&RC relies on reporting from GRM, GC, GIA, Group Finance and the external auditor, and on updates from the business entities.

4.4.3 Group Risk Management Committee

There are several risk-management committees to ensure comprehensive and consistent risk oversight throughout the Robeco Group. The Group Risk Management Committee

(GRMC) is the highest body within Robeco Group that focuses on risk. It consists of members of the Management Board and relevant staff departments. The GRMC is chaired by the CFO of Robeco and is responsible for evaluating and approving group-wide policies relating to risk-management topics. The GRMC also assesses whether the risks relating to Robeco's activities remain within the defined risk-tolerance levels. If risks exceed these levels, the GRMC will take steps to remedy this. The GRMC is supported by various local risk-management committees that are responsible for individual business entities and by (sub) committees that focus on specific issues (e.g., valuation, security, crisis management and new products).

4.4.4 Robeco Control Framework and ISAE 3402

Robeco uses the Robeco Control Framework (RCF) to set the standard for managing risks within the company. The objective of the RCF is to maintain integrated control of Robeco's operations and ensure compliance with laws and regulations. The RCF consists of several building blocks that combine to create a continuous process in which all significant risks are identified, measured, monitored and controlled. Robeco's defined risk appetite plays a central role in the RCF, as it defines the scope of the framework and provides high-level guidance for determining significant risks and defining and implementing controls.

Robeco has the following ISAE 3402 statements in place as assurance reports for clients:

- RIAM (institutional asset-management activities);
- Private equity;
- Integrated Asset Management;
- Flexioen;
- Robeco Retail Savings Administration.

4.4.5 Enterprise Risk Management Framework

In 2014 Robeco established an Enterprise Risk Management (ERM) framework, consisting of risk taxonomy, a risk-appetite statement and a risk report. The purpose of the framework is to more explicitly and effectively integrate risk-management dimensions into strategic decision-making. It thereby supports the execution of the business strategy in the context of a risk-aware culture. The framework's focus is on corporate risk for Robeco Group. It does not take financial risks in client portfolios into (direct) account, as these

accounts are segregated from Robeco's assets and liabilities. A separate framework is in place to cover these risks. The ERM framework is proportional to Robeco's business model and is in line with best practices, such as the Financial Stability Board Principles and the 2013 COSO.

4.4.6 Compliance with laws and regulations

Changes to laws and regulations relating to financial markets and funds (e.g., AIFMD, remuneration policies for the financial sector, the Financial Markets Amendment Act 2015, UCITS V, EMIR, MIFID II), could lead to an increase in operational costs for Robeco products and affect Robeco's ability to grow its business. To manage these risks, Robeco is actively involved in establishing new laws and regulations or in revising the existing ones. It does this by participating in representative associations (e.g., EFAMA, DUFAS) and by remaining in close contact with (Dutch) government bodies. In addition, all relevant staff departments initiate and/or monitor the implementation of new or revised laws and regulations.

4.5 Code of conduct

Robeco has a Code of Conduct. The Code contains guidelines for the following areas:

Core values – these values form the basis of our behavior and provide guidance for our day-to-day activities. This is exemplified by the fact that all Management Board members have signed an Integrity Statement. Retail and institutional clients: Robeco knows its clients and acts in their best interests, treating them with respect and communicating with them in an open, honest and trustworthy way.

Products and services – Robeco develops quality products and services and informs investors of the product specifications in a fair and equitable manner. Robeco is also responsible to its clients for any activities outsourced to third parties.

The investment process – Robeco seeks to maximize the value of client portfolios while taking into account its clients' objectives and constraints. Robeco has strict rules to safeguard fair trading and to manage possible conflicts of interest between Robeco, as a manager of client assets, and investors.

Personnel and organization – Robeco employs people who are honest, qualified, cooperative and results-oriented. Robeco has procedures in place to identify and manage possible conflicts between the interests of private individuals, Robeco and investors.

Robeco supports an open and honest culture, where it is possible to address each other on the subject of potential infringements or malpractices. Everyone should feel free to discuss any malpractices they notice, either with their own manager or with the managers of other departments, and with Group Compliance.

4.5.1 Whistle-blowing policy

In 2014, RIAM updated its Regulations Governing Whistleblowing in the Netherlands. These regulations have been re-structured for clarity and have become more concise and accessible. The head of Robeco Group Compliance is the central disclosure point.

4.5.2 Regulations regarding private investment transactions

All Robeco Group employees are subject to detailed regulations regarding private investment transactions and the handling of price-sensitive information. These rules and regulations aim to prevent the use of price-sensitive information (or semblance of such use), as well as any trading on the basis of price-sensitive information, and any entanglement of business and private interests.

4.5.3 Bribery and corruption

Robeco has a zero-tolerance stance concerning bribery and corruption of any kind. Robeco does not want to be involved in the misuse of public or private office to obtain improper advantage. Robeco is committed to complying fully with all applicable anti-bribery and anti-corruption laws. The corruption and bribery principles apply to all permanent and temporary employees of Robeco and all our subsidiaries worldwide.



5. HRM

Ambitions

Hire, grow and retain diverse talent

Invest in the personal and professional development of our staff

Support and promote health and vitality of our staff

Score higher than the benchmark on employee engagement

Robeco can only be successful if its employees are empowered and committed to the ambitions and core values of the company. We recognize that our people are key in realizing our company goals.

5.1 Key figures

Number of employees (FTEs)	2014	2013
RIAM	786	825
RobecoSAM	116	114
HCA	119	122
RIM	135	126
Transtrend	62	58
Total number of employees	1218	1245

New employee hires (total number)	2014	2013
Male	78	69
Female	31	49
Total	109	118

Turnover (percentage)	2014	2013
	9%	14%

Highlights

- In 2014 we implemented the Robeco Reward Framework; a market competitive framework based on our new Employee Value Proposition
- In 2014 the average spent on development per employee was EUR 1,500
- We started preparing group-wide leadership programs for both our current and future leaders
- The online RIAM Learning World was launched in 2014
- RIAM offers various facilities for health and vitality, working environment and work/life balance; maternity and paternity leave was expanded in 2014
- General employee satisfaction (RIAM and RobecoSAM) in 2014 was rated 7.8, compared to 7.4 in the 2013 survey. The benchmark for business services is currently 7.0. An employee-engagement survey has become part of the performance-management process

5.2 Employee Value Proposition

Robeco's Employee Value Proposition reflects the value of what we offer employees in exchange for their commitment and performance on the job. In essence, it is the promise that we make to current and potential employees:

Truly engaged – The opportunity to really leave a mark on the company. We stimulate this by being transparent about the company's strategy, objectives, successes, challenges and decision-making; by making clear which results we expect from our employees and giving them the freedom to decide how to achieve them, delegating responsibilities as much as possible and providing ample room for their own initiative.

Bound to grow – Collaborating with the best in the world. Working with Robeco means being challenged by highly motivated and intelligent colleagues; constantly gaining and sharing knowledge and skills; being part of a highly dynamic and professional organization; and working for prestigious and demanding clients from all over the world. In addition, we expect our employees to leave the trodden path, explore new opportunities, innovate and push their boundaries.

Well rewarded – The total financial reward at Robeco is clearly linked to the business strategy and the results achieved. The way we reward our staff is externally

competitive and internally fair, with ample room for differentiation, based on relative market value and performance, using an integrated assessment of results and behavior. Our performance and reward policy is transparent and clearly communicated.

5.3 Employee satisfaction

In June 2014, 791 colleagues (88% of all employees of RIAM and RobecoSAM) completed the employee-engagement survey. General satisfaction was rated 7.8, compared to 7.4 in the previous survey in 2013. The benchmark for business services is currently 7.0. Both the response and the overall satisfaction rates have been increased. Moreover, the results compared to the relevant benchmark have further improved. From the second half of September, all results were discussed at department level during the workshop ‘Embed & improve’, followed by plans of action for 2015. The most important themes to improve throughout the entire organization are vitality, communication and leadership, for which programs have been developed and implemented. With the introduction of the Robeco Reward Framework earlier in 2014, the employee-engagement survey has become part of the performance-management process. RIAM and RobecoSAM’s aim is to constantly improve or keep at a high level general job satisfaction, engagement, leadership and productivity. The most important themes throughout the entire organization are Vitality and Leadership, for which programs have been developed and implemented.

Employee satisfaction survey	2014	2013
General satisfaction	7.8	7.4
Number of respondents	791	820
Number of respondents as % of total surveys sent out	88	87

5.4 Personal and organizational development

RIAM offers a varied and comprehensive range of development possibilities based on the latest trends and in keeping with employees’ needs, so that they can pursue continuous personal development. Robeco believes that learning is more than attending a training course. It is an on-the-job process for employees in conjunction with their colleagues, managers, coaches, mentors, etc.

5.4.1 Leadership

Leadership is one of the key drivers to deliver on the Strategy 2014-2018. We are investing in leadership-development initiatives to support our leaders in successfully delivering on what we need in terms of leadership behavior. Our vision on leadership is that it is not only about managing people, but also showing leadership amongst your peers and people outside Robeco. People with high-value expertise, but without an important people-managing role are therefore also clearly in scope for our leadership-development initiatives. We have developed and implemented a leadership profile that clearly specifies successful leadership behaviors, and have integrated these into our performance-management process. Also, we started the preparation of group-wide leadership programs for both our current and future leaders and, more specifically, for our top management teams.

5.4.2 Human capital development

Robeco supports the development of human capital. Managers conduct annual performance reviews with each employee and, as part of the process, the employee and manager set goals for the coming year. We encourage employees to pursue professional development related to their work as a means of obtaining industry-specific education as well as developing personal career goals. Robeco supports employees with Continuing Education Programs, and additional courses and training that are specific to registered personnel and meet the regulatory requirements. In addition we run various international Robeco Talent Programs focused on recognizing motivation and talent, and strengthening the personal leadership program for young future leaders.

In November 2014, RIAM implemented a global onboarding app. In just a few hours it enables new employees to access relevant information about Robeco in a new and innovative way. The app has the full details of our strategy, history, products and clients, and also contains practical information.

RIAM Learning World was also launched in 2014. This is an online environment in which employees can navigate the pursuit of personal development.

The average spent on development per employee in 2014 was EUR 1,500. The forecast for 2015 is EUR 1,700 per

employee in light of our ambition to give employees room to develop and grow personally within a dynamic and professional corporate culture.

5.4.3 Health and vitality within RIAM

We believe that vital employees contribute to the success of our organization and that of our clients. Therefore RIAM is paying more and more attention to the vitality and working environment of its employees, and to a healthy work/life balance. The sickness percentage at Group level (1.79%) was very low in 2013. The increase in 2014 to 2.44% caused by long-term sickness underpins our focus on health and vitality.

RIAM offers various facilities, such as health checks; a safety, health and welfare service; a company doctor; a health-benefits program; discounts on (or free) gym membership; coaching; a stress reduction workshop; the provision of healthy foods and beverages; and encouragement for employees to commute by bike.

Work/life balance

RIAM offers the possibility of working at home; flexible working times; and – since 2014 – expanded maternity and paternity leave.

Working environment

Specific office equipment prevents work-related sickness and creates a pleasant working environment. This includes better lighting, ergonomic chairs, height-adjustable desks and a periodic ergonomic check of the workspace.

5.5 Diversity

The basic principle of equal opportunity applies to all employees. Equal-opportunity employment is an explicit component of application procedures. All vacancies are broadly available in such a way that no groups are excluded.

Age diversity	2014	2013
under 30 years	12%	12%
30-50 years	72%	74%
over 50 years	16%	14%

Robeco has signed the charter 'Talent to the Top' in order to set long-term diversity goals and monitor diversity within the organization each year.

Gender diversity	2014	2013
Male %	66%	65%
Female %	34%	35%

The percentage of female employees decreased in 2014 due to the fact that the percentage of woman of new hired employees of 2014 is substantially lower than the percentage of men (28% as opposed to 72%).

PinkCapital and GreenCapital

The summer of 2011 saw the launch of the PinkCapital women's network to promote diversity at Robeco in the Netherlands. The network now has 110 members. Pink Capital provides a platform for exchanging knowledge and experience and helps participants build a network at Robeco. PinkCapital also serves as a means of finding suitable role models to allow women to develop a clear view of their own career trajectory.

In 2014, a number of informal network meetings were organized and an internal event for PinkCapital members and management held on mind bugs with regard to diversity. The network also offered a Performance Training Program in 2014 for ten top female employees at Robeco and a workshop on Strategic Negotiation, and started up a new group under the Female Mentoring program. In 2015 a mentoring program will also be open to male colleagues.

PinkCapital is also active in external networks and represents Robeco in Talent to the Top, ViIP (Vrouwen in Institutioneel Pensioen=Women in Institutional Pensions) and WIFS (Women in Financial Services) among others. In September 2014, Robeco hosted a joint network meeting between representatives from ViIP and WIFS. GreenCapital at RobecoSAM has special provisions for female staff (e.g., mentoring programs and training courses, and events specifically for women); opportunities for working from home and for part-time employment.

Management Diversity	2014		2013	
	Male	Female	Male	Female
Senior management (2014: 11%)	83%	17%	75%	25%
Middle management (2014: 16%)	81%	19%	81%	19%
No management responsibility (2014: 73%)	60%	40%	60%	40%

5.6 Robeco Reward Framework

In 2014 Robeco introduced the Robeco Global Reward Framework. This framework describes the way Robeco wants to reward its employees, individually as well as collectively, for the value they add to the company, our clients and other stakeholders. Robeco employees and their knowledge and abilities are the company's greatest asset. A well-thought-out, balanced and sustainable remuneration policy is vital to Robeco in order to attract, retain and motivate well-qualified staff. Equally important is that this policy enables Robeco to rank employees according to their performance, and reward their excellence. It also stimulates employees to exhibit the requisite behavior and discourages undesirable conduct. Robeco bases remuneration on explicit performance indicators to ensure a consistent and reliable approach, taking into account local market practices. The performance indicators have a long-term focus. Robeco builds its policy for compensation on principles aligned with client interests and does not give short-term employee interests primary consideration. Robeco's reward framework has ample room for differentiation based on local market practices.

5.7 Working environment

Robeco will be moving into in 2016 will support the new way of working to a much greater extent than the present premises. The new office premises will provide an inspiring working environment and accommodate both individual and cooperative working. While the building is a fixed element, the employees are flexible and move around the premises as a function of their activities. The program ensures that the facilities and services provided will accommodate this and will offer innovative hospitality for both employees and visitors.

5.8 Dutch Pension Fund for Robeco

The coverage ratio of Stichting Pensioenfonds Robeco was calculated at 120% on market value at the end of December 2014. Robeco adapted its pension scheme in the Netherlands in 2014 as a result of new legislation effective from 1 January 2015. Due to new regulation, the accrual percentage in the basic scheme is being reduced to 1.875% and it is no longer possible to accrue a tax-friendly pension above EUR 100,000. Solutions were found in a reduction of the franchise, a higher gross salary and a net pension scheme for net pension accrual above EUR 100,000. Robeco has communicated the full information regarding these changes to its employees.

6. Environment

Ambitions

Conscious in our use of resources

Highlights

- Robeco compensates the carbon emissions generated on an annual basis for the Robeco Group
- At least 80% of Robeco Group's overall energy consumption is green

We aim to take a variety of measures with regard to the environment. The main goal is to reduce Robeco's environmental footprint.

6.1 Energy and water use

Robeco actively strives to reduce the use of energy and water, and promotes the use of sustainable energy. Various energy-saving measures are being implemented to achieve an overall reduction in energy consumption throughout the Robeco Group. Energy-saving motion detectors to turn on/turn off lighting, and daylight-dependent lighting systems are installed in the Rotterdam offices. Total water usage for Robeco is measured and monitored. At least 80% of Robeco Group's overall energy consumption is green. All offices use green energy, unless the office is not able to influence this decision. Total and green energy usage for the five biggest offices is measured and monitored.

Energy and water use Robeco Group	2014	2013
Energy consumption (kWh)	4,815.226	4,064.825
Water consumption (m3)	16,039	15,507

In 2014, RobecoSAM's on-site production of renewable energy (solar, wind) was 99,113 kWh.

6.2 Waste

Robeco actively strives to reduce the amount of waste it produces and to recycle it if separate processing is locally serviced. Paper and cardboard waste is separated and recycled in the five biggest offices. Robeco uses environmentally safe cleaning products as far as possible.

Waste Robeco Group	2014	2013
Residual waste (kg)	80,501	91,154
Paper and cardboard waste (kg)	77,679	75,880

Paper waste increased in 2014. This can be explained by the fact that RIAM employees have started preparing the move towards a 'paperless' office.

6.3 Paper

Robeco actively strives to reduce the use of paper. All offices apply measures to reduce the use of printing paper, one of which is to use tablets to read documents. Staff is encouraged (and in turn encourages receivers) not to print



emails using a standard email footer. Two-sided printing or two pages per sheet printing is set as default in Robeco printers. Central printers are standard, personal desk printers are an exception. Increasingly, the documents for different board and committee meetings at Robeco are made available on iPad and the meetings therefore completely paperless. All paper used by Robeco is FSC certified.

Paper used Robeco Group	2014	2013
Paper (kg)	32,709	35,032

6.4 Responsible purchasing

For Robeco, corporate-responsibility considerations are part of the decision criteria (together with price and quality aspects) when making important purchasing decisions in the Netherlands.

When buying products such as paper, cleaning substances, coffee and furniture, Robeco applies sustainability criteria to the materials and manufacturing method used.

6.5 Mobility

Robeco actively strives to reduce the amount of transportation needed; to make employee transportation more efficient; and to choose a mode of transport that has less impact on our environment. Employees who frequently hold meetings between Robeco offices in different countries and/or time zones have access to webcams and advanced

meeting software. Company cars in the Netherlands are low-emissions certified or within low carbon-emission ranges. The maximum carbon emissions, expressed in grams per kilometer, vary between 139 to 162 for gasoline cars and 117 to 144 for diesel cars. Electric mobility is also included in Robeco's company-cars policies and many of today's new company cars are plug-in hybrids or full hybrids.

With the aim of optimizing flexibility and efficiency in mobility, RIAM introduced a public transport card for its employees. In general, Robeco encourages employees to switch to using public transport. All employees are encouraged to use the train for business travel. The mobility mix enables employees to choose the right mode of transport. Currently RIAM is developing a Vision on Mobility in line with the BREEAM-NL (Building Research Establishment Environmental Assessment Method) building certificate for its sustainable head office, FIRST Rotterdam.

Transportation Robeco Group	2014	2013
Road kms in leased cars	5,017,074	5,511,380
Road kms for business purposes		
with cars owned by employees	106,500	69,719
Flight kms for business purposes	13,140,109	8,576,697
Public transport for business purposes	481,531	

The increase in flight kilometers is a consequence of Robeco expanding its business globally.

Robeco is compensating the carbon emissions generated by supporting number of projects for a period of four years

India: Andipatti Wind Power Project – Located in the state of Tamil Nadu, India, a 49.5 MW windpower project delivers zero-emissions renewable electricity to the southern regional grid. The project reduces carbon emissions and improves air quality in the region. In addition, the project contributes to the local economy and the livelihood of residents by creating jobs.

Mali: Cookstove Project– Traditional indoor cookstoves on biomass are inefficient and dirty, the indoor smoke from biomass ranks in the top 10 risk factors for the global burden of disease. Improved cookstoves burn biomass fuel more cleanly and 33% more efficiently. Our Mali project offers end users an additional 20% discount on an efficient stove to phase out traditional stove use.

Brazil: Mato Grosso – Spread across individual farms in the Brazilian states of Mato Grosso (11 farms) and Mato Grosso do Sul (18 farms), covered in-ground anaerobic digesters use biogas from animal waste to generate electricity for onsite consumption. The project reduces carbon emissions by approximately 45,000-50,000 tonnes per year.



6.6 Carbon footprint compensation

Robeco compensates the carbon emissions generated on an annual basis for the Robeco Group. Robeco has signed a declaration stating that it aims to reduce the CO₂ emissions resulting from the activities of every one of its employees. Robeco has achieved CarbonNeutral® certification by reducing CO₂ emissions to net zero in accordance with The CarbonNeutral Protocol.

6.7 New sustainable head office

When building or renovating offices, Robeco applies environmental standards with regard to the buildings and the materials used inside the buildings. Sustainability is a salient characteristic feature of the FIRST building in Rotterdam, which is situated opposite the central train station. Robeco will move its head office to FIRST Rotterdam in 2016. FIRST has been awarded a four-star (excellent) BREEAM-NL new-building certificate by the Dutch Green Building Council. The move to the new 'FIRST' building meets a number of important requirements: Robeco stays in Rotterdam where its roots are; the site is easily accessible by public transport, car and bicycle; and it is a sustainable construction in the heart of Rotterdam. The present premises no longer meet the company's requirements in terms of enabling people to work together effectively and share knowledge. Robeco explored all the options before deciding to abandon the current building. Rebuilding the premises was given careful consideration, but since this alone would not fulfill the requirements, this option was rejected. Robeco intends to implement new ways of working. As a result, the organization needs an open and transparent building that will encourage communication and cooperation. Robeco will rent a large part of the building (16,000 m²).

7. Society

Ambitions

Provide funds and time to employees and initiatives throughout the Robeco Group for meaningful, diversified and local commitments to programs that benefit society

Highlights

- Budget spent in 2014 on social commitment by Robeco in the Netherlands was EUR 52,254 (2013: EUR 36,884)
- Robeco's subsidiary, Harbor Capital Advisors, spent USD 211,784 in 2014 on social sponsoring (2013: USD 227,686)
- Rotterdam employees spent one day on voluntary work during paid office hours (total of 300 hours)
- Robeco joined the BiD Network and BiD Student Challenge 2014

We approved numerous requests for social commitment and donations, and supported the active involvement of our employees in social projects. Our social-commitment policy identifies projects that are eligible for funding on the condition that employees participate actively and projects focus on supporting underprivileged groups.

7.1 Social sponsoring

7.1.1 Social commitment in the Netherlands

Robeco actively supports projects that embrace social commitment in the Netherlands. A Social Commitment Committee is responsible for maintaining and implementing this policy. Its members assess requests for support for social-commitment projects submitted by Robeco employees. Once a year the policy and its implementation will be evaluated by the Social Commitment Committee and the committee will report on its findings to the Management Board of Robeco. The budget spent in 2014 was EUR 52,254 (2013: EUR 36,884). Proposals will be submitted by the Social Commitment Committee, which will also decide which requests for financial support of community projects to approve. The main criteria are:

- The project should aim at improving the living conditions (including the living environment) and the health or personal development of people who are severely ill, underprivileged or a victim of circumstances for which they are not responsible;
- The employees of the office concerned should actively participate in the project;
- The project should be located in the geographical area of the particular office where the request originates. In 2014 we supported 11 community projects sponsored from our social-commitment budget.

7.1.2 Gift-matching program

Robeco's subsidiary, Harbor Capital Advisors, strongly encourages the support of charities and non-profit organizations through its company-wide gift-matching program. Under this program, Harbor matches contributions by employees to charities on a one-to-one basis up to USD 50,000 per employee, depending on officer level. Employees contributing to charitable entities, for which the employee service in a volunteer leadership role will receive a three-to-one match up to USD 10,000. In total, Harbor spent USD 211,784 in 2014 on social sponsoring (2013: USD 227,686).

7.1.3 Des Pieds et des Mains

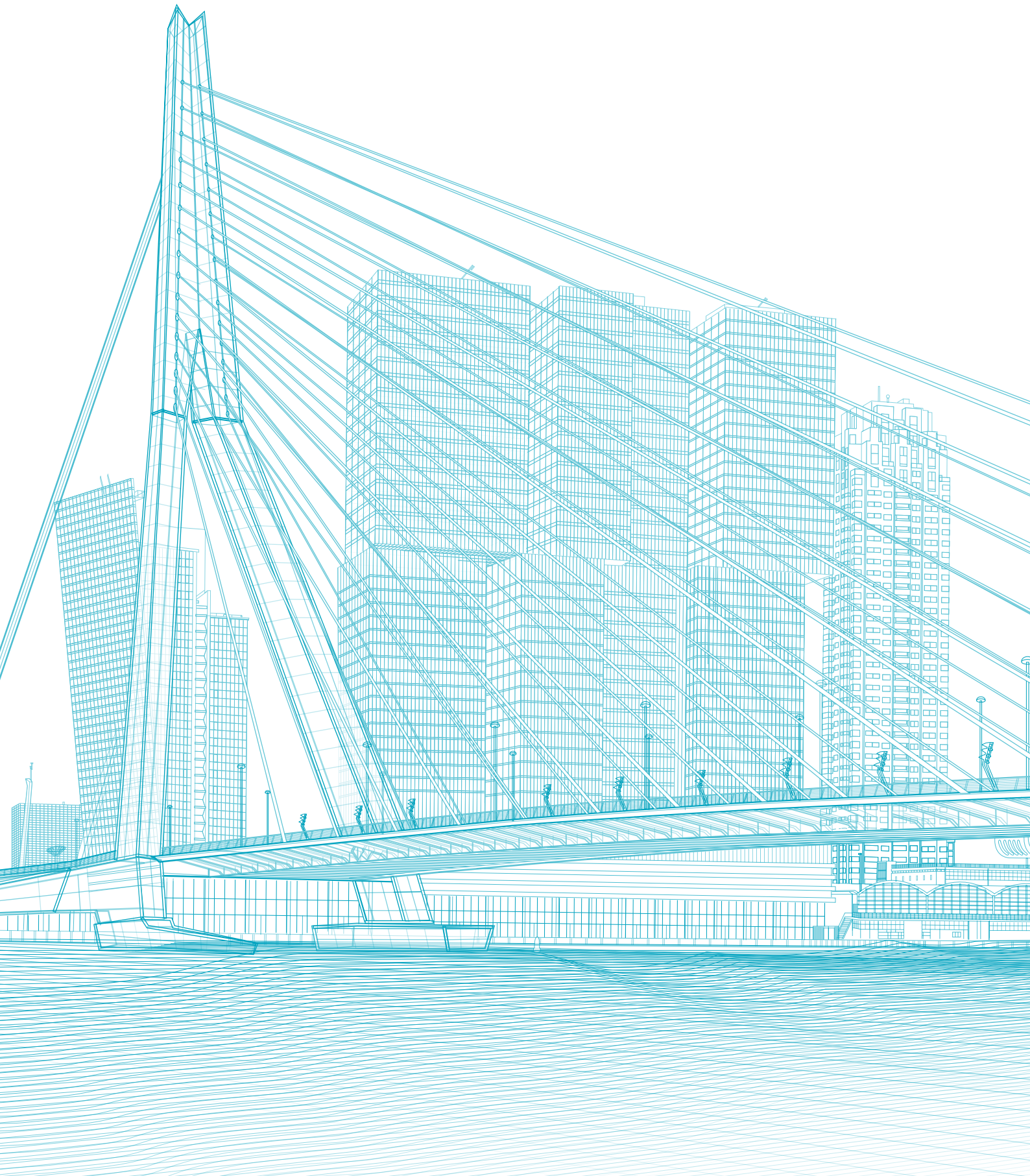
Robeco France sponsors the handicapped sportsman Damien Seguin and his foundation Des Pieds et des Mains (= moving heaven and earth). With this initiative, Seguin, who won a gold medal at the Paralympics in 2004, wants to make sailing accessible to the handicapped.

7.1.4 Christmas donation RIAM to a good cause

Many employees of Robeco Rotterdam donated their Christmas gift (worth EUR 50) to one of three charities:

- Robeco Roparun Team 266 (collecting money to support people with cancer);
- Stichting Ambulance Wens (fulfilling last wishes of terminal patients);
- Stichting Niños Unidos Peruanos (supporting neglected children in Cuzco, Peru).

Each employee donation was matched by RIAM.



7.1.5 Robeco SummerNights in Concertgebouw Amsterdam

RIAM considers music worth investing in. Music inspires and brings people from different backgrounds closer together. This is the reason why for over 25 years Robeco has sponsored the Robeco SummerNights, a set of concerts held in the world-famous Concertgebouw in Amsterdam.

7.1.6 Beleggr

Beleggr is a RIAM initiative in collaboration with 'Science Interchange' organized by Erasmus University in Rotterdam. It aims to generate financial awareness in young people at an early age, as this forms the foundation for greater autonomy when they grow up. In a game, children learn the principles of investing: assessing risk, diversification and trading with a long-term view. Beleggr is a class competition for years 7 and 8 of elementary school. Each class begins with a virtual capital of EUR 1,000, with which they can buy the shares of ten different (fictitious) companies. The winner is the group with the most responsible investment approach. This is measured using returns realized, active response to news and the degree of risk the pupils are willing to take. A total of 18 groups took part. State Elementary School De Peperklip's 'group for gifted kids' became Best Investment Class in the Netherlands. The group received a check of EUR 1,000 for Make-A-Wish, the good cause they played for. A total of twenty classes joined the new competition in school year 2014-2015.

7.2 Social activities

Social commitment is promoted not only through financial support, but also by allowing Robeco's Rotterdam employees to spend one day per year on voluntary work designated by Robeco. In 2014, a number of Rotterdam employees spent one day on voluntary work during paid office hours (total of 300 hours) for activities supported by our partners Workmate and Benefits for Kids.

7.2.1 Roparun

In 2014, for the fourth time, a team of Robeco Rotterdam employees participated in the Roparun over the Whitsun weekend. This is a relay run from Paris (520 kilometers) or Hamburg (580 kilometers) to Rotterdam. Our team was one of the 328 teams participating. The objective of the Roparun is to raise money for initiatives that support people with

cancer. This year, Robeco's team consisted of 21 employees from various departments within our organization, working together to meet this physical challenge. Thanks to our Robeco colleagues and sponsors, the team was able to raise EUR 27,217 for the Roparun Foundation this year. Over the last four years, Robeco's team has raised and donated a total of EUR 97,836. In 2015, a team of Robeco Rotterdam employees will again participate in the Roparun, starting out in Paris.

7.2.2 Lee National Denim Day

Through charitable contributions, RIM focuses on improving the lives of people through medical research into curing debilitating conditions and diseases, and through organizations that promote educational opportunities for young people, regardless of their socio-economic background. RIM is involved in annual fundraising for Lee National Denim Day, which promotes breast cancer awareness as well as research into successful medical treatment. Fundraising is led by employees, with full participation by the entire company.

7.2.3 Sport for Sophia

On 1 February 2014, 25 Robeco employees took part in the annual spinning marathon for the Sophia Children's Hospital in Rotterdam. They raised a total of EUR 3,606.75 to which Robeco added a sponsor sum of EUR 2,500. This year's Sport for Sophia annual event raised a total of EUR 281,600. Sport for Sophia 2014's goal was: a better future for premature children.

7.2.4 BiD Network

Robeco has joined the BiD Network and BiD Student Challenge 2014. BiD Network's mission is to contribute to sustainable economic growth in emerging countries through entrepreneurship. The BiD Student Challenge enables students to give an entrepreneur from a developing country valuable insights to strengthen his business. Robeco sponsors the BiD Student Challenge and offers support by asking Robeco employees to volunteer as coach for the small groups of students that review and improve the business plans of the entrepreneurs.

7.2.5 Math Olympics

Transtrend, a Robeco subsidiary, supports initiatives that promote effective and inspiring instruction. Examples are the Dutch Math Olympics and the Young People's Technology Network in the Netherlands. Employees from Transtrend with a math or science educational background also give guest lectures in schools.

7.3 Academic activities

7.3.1 Robeco Quantitative Strategies

Robeco Quantitative Strategies is the department that deals with quantitative investment strategies and products. Its staff has a quantitative background in econometrics, mathematics, economics or physics. Some are connected to universities as assistant or associate professor. The department has many years' experience publishing academic research and has an extensive collection of internally generated and frequently cited investment-research papers. In 2014, the department published twelve research papers. Over the past year, Robeco has been involved with the following academic institutions:

- Vrije University of Amsterdam (professor);
- Erasmus University of Rotterdam (associate professors).

7.3.2 Netspar

Netspar is a Dutch network for studies on pensions, aging and retirement, which aims to connect pension practitioners in the public and private sectors with pension scientists. Netspar thus contributes to improving the pension system through academic and applied research, network-development and knowledge-transfer programs. Robeco became a partner to Netspar in 2011 in order to facilitate our ambitions in the field of fiduciary management and defined-contribution pension solutions. The partnership means that Robeco employees can actively participate in research projects, attend seminars, and have access to research papers and executive programs.

7.3.3 RobecoSAM

RobecoSAM has implemented a proactive approach to developing its research partnerships with selected academic institutions. In all research initiatives, RobecoSAM assumes an active role in designing, leading and actively supervising the projects. Over the past year, RobecoSAM has been

involved in research collaborations with the following academic institutions:

- Harvard Business School, Organizational Behavior (US);
- Harvard Kennedy School of Government (USA) and Foundation Strategy Group (USA);
- University of Cologne (Germany);
- Warwick Business School, University of Warwick (England, UK);
- Imperial College London, Centre for Environmental Policy;
- University of Queensland (Australia) / University of Strathclyde (UK);
- University of Siena (Italy).

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