Annual report

Chamber of Commerce registration number 24123167

20 APRIL 2023

Contents

General information

Management Board ("MB")
K. (Karin) van Baardwijk (Chief Executive Officer)
M.C.W. (Mark) den Hollander (Chief Financial & Risk Officer)
M. (Marcel) Prins (Chief Operation Officer, since 1 June 2022)

Executive Committee ("ExCo")
K. (Karin) van Baardwijk
I.R.M. (Ivo) Frielink (since 1 March 2022)
M.C.W. (Mark) den Hollander
M.F. (Mark) van der Kroft
M. (Marcel) Prins (since 1 June 2022)
A. (Alexander) Preininger (since 1 November 2022)
V. (Victor) Verberk
A.J.M. (Lia) Belilos – Wessels (until 31 January 2022)
H-Ch.(Christoph) von Reiche (until 31 March 2022)

Supervisory Board
M.F. (Maarten) Slendebroek (Chair)
S. (Sonja) Barendregt – Roojers (Vice Chair)
S.H. (Stanley) Koyanagi
M.A.A.C. (Mark) Talbot
R.R.L. (Radboud) Vlaar

More information can be found on the website www.robeco.com.

Independent Auditor
KPMG Accountants N.V.
P.O. Box 43004, 3540 AA Utrecht The Netherlands

Address
Robeco Institutional Asset Management B.V.
Weena 850, 3014 DA Rotterdam
P.O. Box 973, 3000 AZ Rotterdam
The Netherlands
Tel: +31 10 224 1224
Internet : www.robeco.com

Rotterdam Chamber of Commerce number 24123167

Report of the Management Board

General

We are pleased to present the financial statements of Robeco Institutional Asset Management B.V. (also referred to as "Robeco" or "RIAM") for the financial year 2022 along with the Report of the Management Board.

Established in Rotterdam in 1929, Robeco offers investment management and advisory services to institutional and private investors, and manages UCITS[1] and alternative investment funds. As such, Robeco acts as the manager of investment funds in the Netherlands and France (and as director in case the funds are in the form of Dutch legal entities), and for its Luxembourg-based investment funds from 1 January 2021. It also operates as the direct distribution channel in the Dutch retail market for Robeco funds.

Robeco has both an AIFMD license as referred to in Article 2:65 of the Dutch Financial Supervision Act (*Wet financieel toezicht*, "Wft") and a license to act as manager of UCITS as referred to in Article 2:69b of the Wft, and to offer the additional services within the meaning of Article 2:97(3). Total client assets[2] (assets managed, sub-advised or distributed by Robeco) amounted to approximately EUR 171.1 billion as at 31 December 2022 (EUR 200.7 billion on 31 December 2021). In paragraphs Strategy and Financial results total client assets is further analyzed.

Corporate governance

Robeco has a two-tier board that consists of a Management Board and a Supervisory Board. In addition, an Executive Committee ("ExCo") is in place to assist the Management Board in the exercise of its duties and responsibilities, and to perform the day-to-day management of Robeco together with the Management Board.

The governance principles of Robeco and its corporate bodies are laid down in its Articles of Association, Supervisory Board Rules of Procedure, Management Board and Executive Committee Rules of Procedure, in the Charters of the Supervisory Board committees (the Audit & Risk Committee and the Nomination & Remuneration Committee) and in the Charters of the ExCo Committees.

Management Board

The Management Board is Robeco's statutory managing board and is entrusted with the management of Robeco. The Management Board is ultimately responsible for setting the strategy, objectives and overall direction and overseeing and monitoring management decision-making. The Management Board directs Robeco. The members of the Management Board are appointed by Robeco's General Meeting. The Supervisory Board, advised by the Nomination & Remuneration Committee, must be consulted on an intended appointment, which is subject to the prior approval of the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten,* "*AFM"*). Finally, the Works Council provides its advice on the appointment of members of the Management Board.

On 31 December 2022, Robeco's Management Board consisted of Karin van Baardwijk (CEO), Mark den Hollander (CFRO) and Marcel Prins (COO).

Executive Committee

Robeco's Articles of Association provide that the Management Board may establish an Executive Committee ("ExCo"), consisting of all Management Board members and one or more other members to support the Management Board in performing its tasks ("Senior Executives").

[1] Undertaking for Collective Investment in Transferable Securities

[2] Related to all Robeco entities

Senior Executives are appointed, dismissed and suspended by the Management Board at the proposal of the CEO. The Supervisory Board, advised by the Nomination & Remuneration Committee, approves such appointment, dismissal or suspension. The appointment of Senior Executives also needs prior approval from the AFM, because ExCo members are considered to be daily policy makers of Robeco.

On 31 December 2022, the ExCo consisted of the members of the Management Board and the following Senior Executives: Ivo Frielink (Head of Strategic and Business Development), Mark van der Kroft (CIO Fundamental and Quant Equity), Alexander Preininger (Head of Distribution and Marketing) and Victor Verberk (CIO Fixed Income and Sustainability).

Composition
Karin van Baardwijk was appointed as CEO on 1 January 2022, succeeding Gilbert Van Hassel who left Robeco on that same date. Prior to this, Karin van Baardwijk was COO of Robeco. Martin Nijkamp left on 1 January 2022 and Lia Belilos left Robeco on 1 February 2022. Christophe von Reiche left Robeco on 1 April 2022. We thank all of them for their commitment and contributions to Robeco. Ivo Frielink succeeded Martin Nijkamp on 1 March 2022. On 1 June 2022, Marcel Prins was appointed as Chief Operating Officer. Alexander Preininger was appointed as successor to Christoph Von Reiche on 1 November 2022.

As of 1 February 2023, Renske Paans was appointed as Chief Human Resources Officer, succeeding Lia Belilos. Renske Paans is advisor to the ExCo and attends ExCo meetings in that capacity. However, she is not an ExCo member and has no voting rights in ExCo meetings. As such, she is not considered a daily policy maker of Robeco.

Gender diversity
Robeco strives for a complementary composition of the Management Board and Executive Committee with sufficient diversity in terms of gender, race, ethnicity, religion, disability, family responsibility, sexual orientation, social origin, age or experience. The Management Board and Executive Committee aim to have at least 30% of the seats held by women, and at least 30% of the seats by men.

As at 31 December 2022, this gender target is met for the Management Board (one of three members is female, two are male), but not for the ExCo (one of the seven members is female, six are male). Where appropriate and reasonably possible, Robeco will take due account of its gender target for future vacancies and in current succession planning.

ExCo Sub Committees
The ExCo has five sub-committees that assist the ExCo in decision making and/or have delegated authority to decide on matters:

- the Product Approval Committee;
- the Enterprise Risk Management Committee;
- the Sustainability and Impact Strategy Committee;
- the Pricing Committee; and
- the Customer Committee.

The tasks and responsibilities of the ExCo sub-committees are laid down in their respective rules of procedure. The role of the ExCo sub-committees is to advise and prepare decisions to be taken by the ExCo and carry out responsibilities that are delegated to them by the ExCo. The section "Risk Management" describes the tasks and responsibilities of the abovementioned Executive Committee sub-committees.

Self-Assessment
In accordance with the Management Board & Executive Committee Rules of Procedure, the ExCo performs an annual assessment to monitor its performance and the ongoing suitability of its members. In performing such self-assessments, the focus will be on the relevant changes in Robeco's business activities, strategies and risk profile and in the distribution of duties within the ExCo and their effect on the required collective knowledge, skills and experience of the ExCo. The self-assessment is discussed with the Supervisory Board. In Q4 2022,

the ExCo started an assessment of its efficiency and dynamics with an external advisor. The results of that external assessment will be discussed with the Supervisory Board and follow-up actions will be taken and reported back to the Supervisory Board.

Supervisory Board
As the so-called "moderate version" of the "Large Company Scheme" (*Structuurregime*, Article 2:265 of the Dutch Civil Code) applies to Robeco, and also with a wider view to ensure strong governance, a Supervisory Board has been established.

The Supervisory Board is responsible for supervising the duties with respect to the general affairs of Robeco and its business as executed by the Management Board and the ExCo. The Supervisory Board advises both the Management Board and the ExCo, taking into account the dynamics and the relationship between the ExCo and the Management Board and their members while preserving the respective statutory tasks and responsibilities in compliance with applicable law and regulations, as well as Robeco's corporate constituent documents. In carrying out its duties, the Supervisory Board is guided by the interests of Robeco, its group companies and their connected businesses. The Supervisory Board takes the interests of all relevant stakeholders into account.

Supervisory Board members are appointed by the General Meeting of Shareholders following nomination by the Supervisory Board. Under the "Large Company Scheme", the General Meeting of Shareholders and the Works Council may recommend nominees for the position of Supervisory Board member to the Supervisory Board. The Works Council has an enhanced right of recommendation for one-third of the Supervisory Board members. The Works Council's nominee can only be rejected in exceptional circumstances. Given the total number of members, one member of the Supervisory Board (Sonja Barendregt-Roojers) was appointed at the Works Council's recommendation. In April 2022, she was re-appointed for a new period of 4 years until 1 April 2026. The appointment of Supervisory Board members also needs prior approval from the AFM. On 31 December 2022, the Supervisory Board consisted of Maarten Slendebroek (Chairman and appointed until August 2024), Sonja Barendregt-Roojers (Vice-Chair and appointed until April 2026), Stan Koyanagi (appointed until August 2024), Mark Talbot (appointed until September 2023) and Radboud Vlaar (appointed until April 2023). The appointment period of Radboud Vlaar ends per the end of April 2023. It is proposed that he will be re-appointed as member of the Supervisory Board for a period of two years ending 1 April 2025.

All members of the Supervisory Board are independent, with the exception of Stan Koyanagi as representative of ORIX Corporation in Japan, the ultimate (indirect) shareholder of Robeco.

Gender diversity
Robeco strives for a complementary composition of the Supervisory Board with sufficient diversity in terms of gender, race, ethnicity, religion, disability, family responsibility, sexual orientation, social origin, age or experience. Robeco strives to have at least 30% of the Supervisory Board seats held by women, and at least 30% of the seats by men.

As at 31 December 2022, the Supervisory Board does not meet this gender target: one of the five members is female, four are male. Where appropriate and reasonably possible, Robeco will take due account of its gender target for future vacancies.

Supervisory Board Sub-committees
The Supervisory Board has two sub-committees: the Audit & Risk Committee and the Nomination & Remuneration Committee. The tasks and responsibilities of the committees are laid down in their respective rules of procedure. The role of the committees is to advise and prepare decisions to be taken by the Supervisory Board and carry out responsibilities that are delegated to them by the Supervisory Board.

The Audit & Risk Committee ("A&RC") supervises the financial reporting process, the control environment, the system of internal controls, risk management and internal audits. The A&RC also reviews the processes for monitoring compliance with legislative and regulatory requirements and Robeco's own internal policies. In its oversight, the A&RC relies on reporting from Risk Management, Compliance, Internal Audit, Legal Affairs, Business Control & Finance and the external auditor.

The Nomination & Remuneration Committee supervises Robeco's remuneration policy and its implementation, as well as the succession planning of its Management Board, Executive Committee and Supervisory Board. Furthermore, under Robeco's Remuneration Policy and the Articles of Association, the Nomination & Remuneration Committee advises the Supervisory Board amongst other things on the remuneration of the Management Board, as well as the approval of the annual variable remuneration pool, the remuneration of members of the ExCo not being statutory directors, Heads of Control Functions and total annual remuneration of employees in excess of EUR 500,000, the awarding of a variable remuneration in excess of 200% of a total fixed income and the KPI setting of ExCo members and Heads of Control functions.

Self-Assessment
In accordance with the Supervisory Board Rules of Procedure, the Supervisory Board annually performs a self-assessment to monitor the ongoing suitability of its members, and every three years the Supervisory Board performs an external self-assessment. The results of each assessment are discussed by the Nomination & Remuneration Committee and Supervisory Board and relevant follow-up actions are monitored.

Meetings
The Supervisory Board meets at least four times a year, normally once every quarter, and whenever the Chairperson calls a meeting or one or more of the Supervisory Directors request one. The Supervisory Board and the Executive Committee shall have regular interaction, which can take place between all members or, if desired, between the chairperson of the Supervisory Board, the CEO and the relevant member of the ExCo responsible for the specific topics or matters concerned. In 2022, all ExCo members were invited to attend the regular meetings of the Supervisory Board.

Criteria used for nominating and selecting members of the Management Board, Supervisory Board and Executive Committee ("Management Body")
Upon the proposed appointment of a member of the Management Body of Robeco, after the selection process has been concluded, a suitability assessment of the selected individual and the collective Management Body in its executive or supervisory function needs to be performed, including a conclusion whether any corrective measures should be taken as such person is regarded as a "daily policy maker" in accordance with the Dutch Financial Supervision Act (*Wet financieel toezicht, or "Wft"*).

For the purpose of the re-assessment of the collective suitability of the ExCo and Supervisory Board, it should be analyzed to what extent the candidate fits into the collective and whether diversity is sufficiently taken into account.

For the purpose of the assessment of the individual suitability of the candidate, all notions and limitation rules should be analyzed:
- Does the candidate have adequate knowledge, skills and experience to fulfill the position at Robeco and are they able to commit sufficient time to perform their function as member of a Management Body?
- Is the candidate of sufficiently good repute to ensure the sound and prudent fulfilling of their function at Robeco and do they uphold the high standards of integrity and honesty?
- Is the candidate able to act with independence of mind?

Conflicts of Interest
Generally, the ExCo is responsible for promoting and effecting the corporate governance structure, reporting lines, the allocation and segregation of duties and the prevention of conflicts of interests, and in a manner that promotes the integrity of the market and the interest of clients. The Supervisory Board is responsible for overseeing the implementation and maintenance of a code of conduct and/or conflict of interest policy, or similar

and effective policies to identify, manage and mitigate actual and potential conflicts of interests.

If a member of the Management Board, ExCo or Supervisory Board has a conflict of interest, that member will not participate in the deliberations and decision-making in relation to which they have a conflict of interest. If, as a result, no resolution of the ExCo or the Management Board can be adopted, the resolution is adopted by the Supervisory Board. Each member of the Management Board, ExCo or Supervisory Board must immediately report any actual or potential conflicts of interest.

As a result of the overlap between the members of the Management Board of Robeco and Robeco Holding B.V., conflicts of interests of Robeco Holding's Management Board members may arise when Robeco Holding B.V. exercises shareholder rights in relation to Robeco. These shareholder rights are: the appointment, suspension or removal of members of the Management Board of Robeco, their discharge and the establishment of their remuneration and remuneration policy. The decision making on such matters where the Robeco Holding Management Board members have a direct conflict of interest acting as the sole shareholder of Robeco, are escalated to the general meeting of Robeco Holding B.V. (i.e. to ORIX Corporation Europe N.V).

In addition, certain matters have been identified in the Articles of Association of Robeco Holding B.V. where the exercise by Robeco Holding B.V. of certain shareholder rights with respect to RIAM is not appropriate from a good governance perspective ("Good Governance Matters"). Examples of Good Governance Matters are the decisions to appoint or dismiss Supervisory Board members of Robeco. Such decisions may not constitute a personal conflict of interests of all Robeco Holding Management Board members, but it is undesirable from a good corporate governance perspective that the Robeco Management Board members (in their capacity as Robeco Holding Management Board members) are involved in the decision to appoint and dismiss their own supervisors. The same applies to the appointment of the statutory auditor of Robeco, the adoption of the annual accounts of Robeco as drawn up by the Robeco Management Board, the distribution of dividend, interim dividend and certain other matters. The decision making on such Good Governance Matters by the Robeco Holding Management Board acting as sole shareholder or Robeco are also escalated to ORIX Corporation Europe N.V.

Ancillary functions
The members of the ExCo have the following ancillary functions. Karin van Baardwijk: member of the board at DUFAS, at Leaders in Finance and at the board of Stichting Capital Amsterdam; Mark van der Kroft: member of the audit committee of Nedlloyd Pension Fund; Marcel Prins: member of the supervisory board of Rabobank Herverzekeringsmaatschappij and of the supervisory board of Rabobank Zaanstreek; member of the board of trustees of Holland Fintech, member of the advisory board of Brightlands Institute for Smart Society; Victor Verberk: chairman of the board of Alblasserdamse Tennisvereniging ATV; Mark den Hollander, Ivo Frielink and Alexander Preininger have no ancillary functions.
The members of the Supervisory Board have the following ancillary functions. Maarten Slendebroek: non-executive board member (Chair) at Mintus Trading (FCA), Trustee of the Orchestra of the Age of Enlightenment in London and chairman of the advisory board at Elinvar and member of the advisory board at Mesmerise; Sonja Barendregt: member of the supervisory board at ASR Nederland N.V.; Stanley Koyanagi: member of the board at ORIX Corporation, at ORIX Corporation Europe, at Boston Partners Global Investors, Inc. and at Ormat Technologies, Inc.; Mark Talbot: non-executive member of the board at St Andrews University Hong Kong; Radboud Vlaar: non-executive board member at Safened Holding, at Safened Fourthline, at Oh Goodlord Ltd, at Nomu Pay Ltd, at Hiber B.V., at Plutus B.V., at ScalingFunds GMBH, at Capayable B.V., at Crastorhill Investments SP Z.o.o. and board member at Finch Capital Partners B.V. (and related entities, such as OGC Partners B.V., and the different fund vehicles).

Corporate structure
Robeco is incorporated under Dutch law and has its corporate seat in Rotterdam, the Netherlands. Robeco Holding B.V. holds 100% of the shares of Robeco Institutional Asset Management B.V. and also holds 100% of the shares in Robeco Nederland B.V., the Dutch central service company of Robeco and other operating entities that are part of the Robeco group.

Robeco Nederland B.V. is the formal employer of almost all of Robeco's staff based in the Netherlands, who are provided to Robeco by Robeco Nederland B.V. on the basis of an intercompany service agreement.
ORIX Corporation in Japan is the sole shareholder of ORIX Corporation Europe N.V., the domestic parent company of Robeco Holding B.V.

As of 1 March 2022 a new governance structure was introduced for Robeco Holding B.V. The key features of the new governance structure are: (i) the introduction of a supervisory board and executive committee for Robeco Holding B.V., (ii) an overlap of the members of the Management Board, ExCo and Supervisory Board of Robeco and Robeco Holding B.V., (iii) new procedures addressing actual or potential conflicts of interest due to an overlap between the Management Boards of Robeco and Robeco Holding B.V., when certain shareholder rights of Robeco Holding B.V. in relation to Robeco are exercised (including the appointment of members of the Management Board and Supervisory Board) and (iv) the introduction of certain instruction matters for ORIX Corporation Europe N.V. (see *Conflicts of Interests* above).

Strategy

With a new CEO, Karin van Baardwijk, at the helm, in 2022 Robeco continued to focus on the executing its strategy for the period 2021-2025. It is our mission to enable clients to achieve their financial and sustainability goals by providing superior investment returns and solutions. We are convinced that a sustainable business is more future proof.

Robeco wants to create wealth *and* well-being, by generating return on investment for our clients which contributes to economic stability, allowing them to grow, create jobs and fund pension payments. At the same time, by looking carefully at what we invest in, we want to contribute to solving problems of our time such as climate change, loss of biodiversity and the lack of social equality. Our values: client-centric, innovative, sustainable and connecting, are at the center of this approach.

Our strategy focuses on expanding our leadership position in sustainable investing, grow profitably and be an employer of choice. We build on our five key strengths: Sustainability, Quant, Credits, Thematic and Emerging markets. Morningstar already considers Robeco to be one of eight leaders in sustainable investing and we want to stay a leader. The main challenge to achieve this is around how you measure it and the quality of the data. This is why, in the third quarter of 2022, we opened up parts of our intellectual property related to SDG measurements to a wider community so that we can learn from feedback and further improve our data quality. In addition to this we have a dedicated team that engages with listed companies to discuss their sustainable strategies.

At the end of October 2022, Robeco was one of the first in the world to launch a fund that invests in companies that help mitigate biodiversity loss. We collaborate with World Wildlife Fund NL on research and thought leadership on biodiversity. Robeco has developed a framework to assess companies on their impact on biodiversity and we use this model to select companies for this fund.

In 2022 also strengthened our quant business and thought leadership. We are expanding our existing investment strategies and invested in our next-gen quant capabilities. In November 2022 we launched our first next-gen fund, Quantum Equities.

In terms of clients and distribution, we aim to maintain the current multi-year growth trajectory in the countries, regions and market segments where Robeco has a presence. As part of our organic growth ambition we strengthened our position in two of the largest wholesale markets in EMEA: Germany and Italy. In addition to this we invested in our multi-asset and private debt activities. We are carefully looking for non-organic growth opportunities through a focused M&A process, where potential acquisitions have to fit within our strategy and add to our capabilities.

Although 2022 was a turbulent year due to the market volatility, geopolitical tensions, energy crisis and inflation, Robeco was able to keep its position in the market at EUR 171.1 billion AuM. Looking ahead, we expect a difficult year for generating short-term performance, but at Robeco we have a long-term investment style and we believe 2023 will provide the opportunity to set up portfolios to generate client returns in future years.

Sustainable investing and corporate responsibility

Our corporate mission is to enable our clients to achieve their financial and sustainability goals by providing superior investment returns and solutions. We are convinced that integrated sustainability leads to better-informed investment decisions and enhanced risk-adjusted returns. We also believe that exercising our voting rights and engaging with the companies in which we invest will have a positive impact on both our investment results and on society. In 2021, Robeco issued its roadmap to net zero emissions by 2050[3], reducing the carbon footprint of our investments and operations by an average of 7% year on year. In 2022 we made good progress and are well on track to reach the target.

As part of our sustainable investing approach, Robeco aims to contribute to the Sustainable Development Goals (SDGs) and we are convinced that we can create social, economic, and environmental benefits in addition to competitive financial returns. We continue to develop our own SDG Framework which enables us to define to what extent a company has a positive or negative impact on the goals, thus informing our investment decisions. In August 2022 Robeco has launched the Sustainable Investing Open Access Initiative, providing clients and academics free access to SDG scores of companies compiled by Robeco. The initiative was well received, many academics have indicated that they want to use Robeco's SDG scores in their teaching and research. The aim is to improve data quality and jointly work towards defining industry standards.

Robeco has also implemented an exclusion policy for companies involved in the production of, or trade in, controversial weapons such as cluster munition and anti-personnel mines, along with tobacco, controversial behavior in relation to the production of palm oil and companies that structurally and severely breach the United Nations Global Compact (UNGC) governance framework and/or the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. Robeco's fossil fuel exclusion policy excludes companies involved in thermal coal, Arctic drilling and oil sands, subject to certain revenue thresholds. New coal power plants are also part of the exclusion policy.

[3] For further details, see Robeco's roadmap to net-zero emissions by 2050 -https://www.robeco.com/docm/docu-robeco-roadmap-to-net-zero.pdf

Sustainable investing in figures (year end 2022)		
Assets in Sustainability Inside	EUR	127.0 billion
Assets in Sustainability Focus	EUR	18.7 billion
Assets for Impact Investing	EUR	18.1 billion
Assets "under engagement" [4]	EUR	350.0 billion
Assets "under voting" [5]	EUR	136.0 billion

ESG integration into the investment process

We offer our clients a consistent sustainability approach across three ranges:

- Sustainability Inside: the majority of Robeco strategies fall into this category, which includes full ESG integration, proprietary research, exclusions, voting and engagement.
- Sustainability Focus: these strategies have more specific sustainability targets for ESG profiles, such as a lower carbon footprint than the benchmark.
- Impact investing: these strategies aim to make a measurable impact on society as well as deliver financial returns, such as by targeting the SDGs.

All Robeco's investment activities comply with the United Nations Principles for Responsible Investing (PRI). In 2021[6], Robeco, again, scored above the median for all modules in the assessment. Robeco received full marks (5 stars) in all but two modules where we scored 74%. These modules were related to our proxy voting on listed equity. Since the assessment, we have implemented a variety of improvements to our proxy voting process including the public disclosure of voting rationales.

At the end of 2022, ESG integration was applied to EUR 163.8 billion of Robeco's assets under management.

Engagement and enhanced engagement

Robeco is involved in engagement activities with companies worldwide in relation to both equity and credit portfolios. Our engagement program is focused on financially material ESG issues and executed in collaboration with analysts and portfolio managers. One part of Robeco's active ownership strategy focuses on companies that structurally and severely breach the UN Global Compact and/or the OECD Guidelines. This engagement approach is called enhanced engagement. If an enhanced engagement dialogue does not lead to the desired result, the Sustainability and Impact Strategy Committee ("SISC") can decide to make an addition to the exclusion list[7]. The process for enhanced engagement is a formal part of Robeco's exclusion policy. For more information about our engagement activities, please refer to our stewardship report.

Managing Robeco's own operations

Robeco's sustainability policy describes our attitude and approach towards stakeholders, the environment and society as a whole. In this policy, we address sustainable investing, our sustainability governance structure and the integration of sustainability in Robeco's own operations. We recognize that our people are key to achieving our goals and employee relations is therefore a key focus.

We actively promote diversity, equal opportunity and human capital development to ensure a positive working environment for our employees. In 2022 we created a roadmap to support our efforts in this area for the next three years. We value initiatives by our employees to support societal projects and have programs in place for financial support and/or active participation. We are conscious of our use of resources and therefore strive to reduce our use of energy and water. As part of our commitment to achieve net zero greenhouse gas emissions

---

[4] A total of 252 engagement cases covering 22 different themes were handled in 2022.

[5] In 2022, Robeco voted at 7,422 shareholder meetings.

[6] 2022 PRI scores will be awarded with a delay because of changes to PRI's assessments and scoring methodology, and are expected late 2023.

[7] https://www.robeco.com/docm/docu-exclusion-policy-and-list.pdf
The joint SISC was established in July 2018 as one of the initiatives to drive the evolution of Robeco and RobecoSAM and aims to support decision-making on SI topics. The governance of the exclusion policy rests with Robeco's ExCo.

by 2050, we have set targets to reduce our operational emissions. We aim to achieve a 50% absolute reduction of our operational emissions by 2030 compared to 2019. Our interim target is a 35% reduction by 2025, which is somewhat faster than our overall trajectory of 7% annually. We have set a specific target to reduce our emissions from business travel (air transport and public transport), as it accounts for a significant portion of our operational carbon footprint. To support this we have introduced carbon budgets for business travel. In addition, Robeco offsets its operational carbon footprint on an annual basis by investing in carbon offsetting projects. Sustainability is also a consideration in Robeco's housing policy and therefore integrated in our purchasing decisions. We aim to minimize and recycle our waste. Our efforts to integrate sustainability in our own operations are governed by our commitment to the UN Global Compact and progress is reported each year in our sustainability report.

Product development

Within the strategic framework, Robeco product development focuses on:

- developing investment solutions to cater to the needs of clients, in a controlled process, ensuring compliance with laws and regulations and that the interest of clients always takes center stage
- suitability of new and existing products and services for clients
- developing and extending our SI leadership, maximizing wealth and well-being for our clients
- devising new strategies to invest in future growth opportunities for clients
- growing existing investment capabilities and products to optimally leverage Robeco's current strengths for its clients and prospects
- enhancing the global appeal of Robeco's investment strategies for investors by exploring new fund structures, domiciles or other means of distributing Robeco's intellectual property, and professionally catering to specific client preferences
- developing/co-developing new customized products in collaboration with clients
- ensuring high-quality processes and operational excellence as a prerequisite for effective product development and life cycle management, together with an up-to-date framework of fund structures to support commercial growth
- performing key maintenance of products and fund processes, including product reviews and product quality procedures.

Sustainability and impact investing are an integral part of Robeco's investment strategies and important components of product development responsibilities. Robeco aims to further grow the offering and development of ESG-integrated[8] strategies, products and solutions, thus leveraging on the combined sustainability expertise within Robeco for the benefit of investors.

Sustainable Finance Regulation

In 2022 Robeco committed substantial resources to prepare for the implementation of legislation as part of the EU Sustainable Finance Action Plan. Key components of the EU's action plan are (i) the Sustainable Finance Disclosure Regulation (EU 2019/2088) ("SFDR"), introduced to combat greenwashing and make the sustainable investing landscape more transparent and easier to understand for investors, (ii) the EU Taxonomy, which aims to create a common classification system for environmentally sustainable economic activities in order to create a level playing field across the European Union, (iii) MiFID inclusion of sustainability preferences in the suitability assessment process, and (iv) UCITS required consideration of sustainability risks and double materiality in the investment process.

Building further on the implementation of SFDR Level 1 in March 2021, in 2022 Robeco implemented the SFDR Regulatory Technical Standards ("RTS"), also referred to as Level 2 Regulation. While SFDR Level 1 set out the regulators' high-level requirements and expectations relating to disclosure standards, risk integration and product classification, the RTS provide detailed guidance and formats as to how the regulation should be applied. The RTS are bundled in a European Commission Delegated Act that will come into effect on 1 January 2023.

[8] ESG: Environmental, Social and Governance

Pursuant to the SFDR, RTS, and further regulatory guidance, in 2022 Robeco updated various disclosures, policies and procedures, including those published on Robeco's website. Disclosures related to the EU Taxonomy were included, and the concept of double materiality was integrated in Robeco's investment processes. This means that the investment process now takes into account both the financial valuation of sustainability risk on Robeco's investments, as well as the impact of Robeco's investments on society and the environment.

In May 2022, Robeco made available the ESG Electronic Template (ESG), providing distributors with extensive data on the sustainability of its products. In June 2022, Robeco's Principal Adverse Impact Statement was updated, setting out how Robeco identifies and considers the negative impact of its investments on society and the environment.

From August 2022, Robeco implemented the amended MiFID regulation ensuring that clients are asked about their sustainability preferences in the onboarding process. Products will only be suitable if they align with these sustainability preferences.

In November 2022, the SFDR implementation transitioned to business as usual.

Financial results

The operating result over the reporting period decreased from EUR 153.7 million in 2021 to EUR 117.5 million in 2022, mainly due to decreased gross margin. In 2022, global economy was impacted by the effects of Russia's invasion of Ukraine, rising inflation and declining consumer purchasing power and confidence. Financial markets deteriorated in 2022 after a high rise in 2021 resulting in lower average Assets under Management of RIAM in 2022 compared to prior year. Total client assets (assets managed, sub-advised or distributed by RIAM) amounted to EUR 171.1 billion as at 31 December 2022 (EUR 200.7 billion as at 31 December 2021).

RIAM's 2022 gross margin over the reporting period was EUR 473.3 million, EUR 37.2 million (7%) lower than in 2021 mainly due to lower management and service fees due to decrease of average assets under management.

Administrative expenses increased from EUR 262.7 million in 2021 to EUR 273.5 million in 2022 due to higher recharges from other Robeco entities resulting from an increase in FTE at Robeco Nederland B.V. partly compensated by lower costs of incentives. Employee benefits expenses increased from EUR 20.7 million in 2021 to EUR 24.4 million in 2022 resulting from an increase in FTE at the branch offices. Other expenses decreased with EUR 15.5 million to EUR 55.3 million due to an addition of EUR 17.6 million to the other provisions in 2021.

The tax expense in 2022 was EUR 29.6 million (2021: EUR 39.9 million). In 2022 the effective tax rate was 25.2% (2021: 26.1%), the difference mainly relates to a gain resulting from closed uncertain tax positions after finalizing prior year income tax filings. The result after tax for the period was EUR 88.0 million, a decrease of EUR 25.2 million (22%) compared to the previous year.

Management considers the financial position of RIAM sound. During the financial period, a dividend of EUR 146.3 million was distributed. The combination of positive net result 2022 and the dividend distribution resulted in an equity decrease of EUR 58.3 million to an amount of EUR 228.6 million (31 December 2021: EUR 286.9 million). The available cash position at the end of the period is EUR 140.3 million. Both are sufficient to meet regulatory requirements.

RIAM submits FINREP, MESRAP and IF reports to the Dutch Central Bank (De Nederlandsche Bank, 'DNB') on a quarterly basis. The most recent reporting relates to 31 December 2022. All capital and liquidity requirements were met on the reporting dates and are met continuously.

Financial markets

The year 2022 saw geopolitical upheaval joining elevated macro-economic volatility as the post-Covid economic boom came to an end. Emerging from the Covid pandemic on a strong footing early 2022, the global economy had to grapple with another major shock stemming from Russia's invasion of Ukraine on 24 February 2022. Consequently, the global economic business cycle transitioned from accelerated expansion into a broad based slowdown as rising energy prices dented consumer purchasing power and confidence. However, the nature and maturity of the slowdown showed regional divergencies. As China entered the year 2022, the slowdown was already well underway and the economy recovered as the country abandoned its zero Covid policy in the fourth quarter of 2022. In the US and Europe, the slowdown was in an early stage with both regions still enjoying unusually tight labor markets against a backdrop of resilient services activity by the end of 2022. Whereas the US and China were experiencing a classic boom-bust cycle, Europe was dealt a significant blow with Russian energy imports largely vanishing, resulting in spiking gas prices. Overall, global economic activity decelerated on the back of cooling manufacturing activity and goods based consumption, while demand for services was strong. The latest IMF projections indicate an annualized global real GDP growth to have decelerated from 6.0% in 2021 to 3.2% in 2022.

The year 2022 could be marked as a pivotal year that upended an era of low inflation in developed economies. Annual inflation in both the US and Europe accelerated to 8.6% by the end of June 2022 followed by a moderate easing in the second half for the US while Europe's inflation accelerated further. In the US, inflation declined to 7.7%, while Europe's inflation amounted to 10.1% by November. The highest inflation levels in 40 years in developed economies emerged as a result of a multiplicity of shocks. The unusual strong recovery in goods demand following the 2020 Covid recession (propelled by significant fiscal as well as monetary stimulus) and persisting supply constraints were aggravated by a major negative supply shock to commodities as Russian energy and wheat exports were impaired. The GSCI commodities total return index rose 34.2% in USD in 2022. All in all, these unanticipated shocks and their aftermath proved to have a large impact on inflation dynamics in 2022. Global core inflation, as measured by inflation excluding energy and food prices, gradually determined a larger share of the overall inflation picture as the year 2022 progressed, driven by rising rents, wages and lagged pass through of energy prices in services.

In response, central banks in developed economies embarked on an aggressive monetary tightening cycle in early 2022 to bring inflation back to target via demand destruction, following a similar tightening cycle initiated by emerging market central banks. Determined to contain inflation, the Fed raised policy rates from 0.25% to 4.5% during the year while also the ECB ended its negative policy rate regime and brought its policy rate to 2%. This pace of rate hikes has been unprecedented. Several leading inflation indicators have rolled over in the second half of 2022, hinting at fading supply and demand imbalances that initially spurred inflation. Attesting to central bank credibility in tackling inflation, long term inflation expectations have remained well behaved.
Except for cash and commodities, there were very few places to hide in 2022. Sovereign fixed income experienced the worst losses since the 19th century (global government bonds hedged to euro lost 14.1%) at a time when equity markets underwent a significant derating (the MSCI World hedged to euro shed 17.9%). The long standing TINA (there is no alternative for risky assets) narrative faltered as risk free assets started to offer competitive yields.

Markets outlook

The significant valuation adjustments in asset markets are by now largely reflective of peak policy rates. Given an expected decline of inflation, global central banks will eventually cease their tightening cycles as the economic slowdown has been set in motion. This might imply that government bond yields are close to their peak. Peak government bond yields, a declining inflation trajectory and slower economic growth or even a recession, will prove to be a positive mix for government bond returns in 2023. The economic circumstances might prove more difficult for corporate bonds as credit spreads normally peak only halfway the recession. The lagged effect of the surge in real policy rates on corporate earnings and defaults has yet to materialize into 2023. Equity valuations have declined significantly, and as such expected returns for equity have improved. The risk for equities is a larger than expected decline in earnings on the back of a weak economy. The worsening of financial conditions, elevated geopolitical uncertainty and the lagged impact of a historic rise in real rates on highly levered segments of the global economy leaves a nonnegligible risk to the consensus opinion for a mild global recession in 2023.

Investment performance

Of all the portfolios managed or sub-advised by Robeco, 69% outperformed their benchmark over the three years to the end of 2022[9]. The corresponding figure for the three years to the end of 2021 was 62%. In 2022, 58% outperformed (in 2021: 61%). For more detailed information, please refer to the funds' annual reports.

Equity markets from both developed and emerging economies fell in value in 2022. In 2022, 55% of our equity portfolios outperformed their benchmark over the year (2021: 63%), while 62% outperformed over the three years to the end of 2022 (61% in 2021).
Fixed income markets also fell in value over the year. In 2022, 63% of our fixed-income funds outperformed their benchmark (in 2021: 57%), 83% outperformed over the three years to the end of 2022 (2021: 68%).

In the table below we show the returns of some of our funds over 2022. We show their returns in absolute terms and their outperformance (+) or underperformance (-) versus their benchmark. We also show the Sharpe ratios of our conservative equity funds, which invest in low-volatility stocks, and their benchmarks as for these funds we expect a lower downside risk.

[9] All returns are gross of fees.

	Fund	*Performance*	*Outperformance / underperformance*
Equities	Robeco Asia-Pacific Equities (EUR)	- 5.1%	+ 6.7%
	Robeco BP Global Premium Equities (EUR)	3.3%	+ 16.0%
	Robeco BP US Large Cap (USD)	- 4.6%	+ 3.0%
	Robeco BP US Premium Equities (USD)	- 2.4%	+ 5.6%
	Robeco BP US Select Opportunities (USD)	- 6.7%	+ 5.3%
	Robeco Chinese A-share Equities (USD)	- 32.1%	- 6.3%
	Robeco Emerging Markets Equities (EUR)	- 15.2%	- 0.3%
	Robeco Emerging Stars Equities (EUR)	- 14.8%	0.0%
	Robeco FinTech Equities (EUR)	- 34.6%	- 21.6%
	Robeco Global Consumer Trends Equities (EUR)	- 32.1%	- 19.1%
	Robeco New World Financial Equities (EUR)	- 14.0%	- 10.1%
	Robeco QI Emerging Conservative Equities (EUR)	- 6.5%	+ 8.3% (Sharpe ratio -0.6 vs -0.9) [10]
	Robeco QI Emerging Markets Active Equities (EUR)	- 11.5%	+ 3.4%
	Robeco QI European Conservative Equities (EUR)	- 10.3%	- 0.8% (Sharpe ratio -0.7 vs -0.5)
	Robeco QI Global Multi-Factor Equities (EUR)	- 8.4%	+ 4.7%
	Robeco QI Inst. Emerging Markets Enhanced Index Equities Fund	- 13.1%	+ 1.8%
	Robeco QI Institutional Global Developed Conservative Equities	0.1%	+ 12.8% (Sharpe ratio 0.0 vs -0.7)
	Robeco Sustainable European Stars Equities (EUR)	- 10.5%	- 1.0%
	Robeco Sustainable Global Stars Equities Fund (EUR)	- 14.7%	- 1.9%
	RobecoSAM Global SDG Engagement Equities (USD)	- 20.6%	- 5.1%
	RobecoSAM Smart Energy Equities (EUR)	- 15.0%	- 2.2%
	RobecoSAM Smart Materials Equities (EUR)	- 19.9%	- 7.1%
	RobecoSAM Smart Mobility Equities (EUR)	- 20.8%	- 8.0%
	RobecoSAM Sustainable Water Equities (EUR)	- 20.2%	- 7.4%
	Rolinco (EUR)	- 28.4%	- 15.4%
Fixed income	Robeco All Strategy Euro Bonds (EUR)	- 17.0%	+ 0.2%
	Robeco Euro Credit Bonds (EUR)	- 13.0%	+ 0.6%
	Robeco Euro Government Bonds (EUR)	- 18.3%	+ 0.2%
	Robeco Financial Institutions Bonds (EUR)	- 12.5%	+ 1.4%
	Robeco Global Credits (EUR)	- 16.4%	- 0.1%
	Robeco Global Total Return Bond Fund (EUR)	- 13.9%	- 0.7%
	Robeco High Yield Bonds (EUR)	- 9.5%	+ 3.1%
	Robeco QI Global Dynamic Duration (EUR)	- 14.6%	- 0.7%
	Robeco QI Global Multi-Factor Credits (EUR)	- 16.2%	+ 0.1%
	Robeco QI Global Multi-Factor High Yield (EUR)	- 11.5%	+ 1.1%
	RobecoSAM Euro SDG Credits (EUR)	- 13.3%	+ 0.4%
	RobecoSAM Global SDG Credits (EUR)	- 16.6%	- 0.3%
	RobecoSAM SDG Credit Income (USD)	- 9.3%	no official index
	RobecoSAM SDG High Yield Bonds (EUR)	- 10.9%	+ 2.1%
	RobecoSAM US Green Bonds (USD)	- 12.1%	+ 0.2%
Multi-Asset	Robeco ONE Neutral (EUR)	- 11.9%	no official index

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

Employees
All Robeco employees active in the Netherlands are provided by Robeco Nederland B.V. by way of an intercompany service agreement. Thus, from a legal standpoint, the staff carrying out Robeco's activities in the Netherlands are employed by Robeco Nederland B.V. In 2022, the average number of employees active on behalf of Robeco in the Netherlands was 704 (2021: 654). In addition, Robeco also directly employs a number of people that are active abroad at its international branch offices. In 2022, the average number of employees formally and directly employed by Robeco at the international branch offices of Robeco was 65 (2021: 55).

Flexible working policy
When our employees were forced to work from home during the pandemic, we quickly realized that we could continue to run our business with our people working remotely without disruption. This led us to develop a flexible working policy in 2022. Our people are equipped to work remotely, and appreciate the flexibility to decide when and where they carry out their work. That said, staying connected is essential in our business.

According to our flexible working policy, our colleagues come into the office for at least 60% of their working hours, with the option to work from home the other 40%. We also provide flexibility in terms of the time they arrive and leave the office, helping them avoid busy traffic or ensure they are able to take their children to school.

When and where our employees work is defined by the nature of their role, their individual preferences and the needs of our clients. Our office is a place where our people can connect and share ideas with each other. We believe that a flexible working policy helps improve our employees' work life balance, and it also helps us to reduce the number of journeys they make, hence reducing our company's CO_2 footprint.

Learning & Development
Committed and empowered employees are essential for Robeco to achieve its long-term goals and adhere to its core values. In 2022 we continued with our existing programs and converted them to remote or hybrid versions. With online learning platform LinkedIn Learning employees can find different courses and trainings based on their needs. This platform provides more content in different languages for our offices around the world. It also enables the creation of online programs and courses that use our own materials and materials which are available via LinkedIn and other providers.

Part of our learning and development is a mandatory Compliance program for new joiners. It is vital that we continue to build a culture of integrity and compliance, and this course supports our aim. All our people are required to complete Compliance awareness training on a regular basis.

Sustainability is an integral part of Robeco's mission and strategy. In 2022, we expanded our internal Sustainable Investing Academy (known as SI Academy), in line with our ambition to "walk the talk" when it comes to acting sustainably. This SI Academy serves two objectives: spreading knowledge, and facilitating education so that this enables our employees to be SI Ambassadors. To spread knowledge, the SI Academy provides access for all employees to the most important internal information on Robeco's SI approach and expertise. By providing access to free online education programs covering diverse SI dimensions, the SI Academy facilitates a broad spectrum of internal and external education. Our employees can include SI Academy courses in their sustainability KPI for their annual appraisals.

DE&I
Robeco strives to create a workplace that reflects our diverse communities, and where everyone feels seen, heard, valued, and empowered to succeed – regardless of gender, race, ethnicity, religion, disability, family responsibility, sexual orientation, social origin, age or experience.

Not only the research-driven business case for DE&I is relevant in establishing a diverse workforce and building an equitable and inclusive work environment. Given Robeco's vision and strong sustainable investment beliefs, it is a prerequisite for being credible and successful as an organization for all clients and stakeholders. We believe it is essential for Robeco's in-house DE&I objectives and our sustainable investing beliefs and engagement to be consistent and aligned with one another.

In 2022, the DE&I Board, which is chaired by the Chief Operations Officer and member of the Executive Committee, and includes members from employee resource groups, established the DE&I roadmap. This roadmap covers our DE&I strategy and shared vision. It is formulated inclusively, with clear goals and timelines, and will be executed by the DE&I Board in a transparent and consistent manner; enabling new ideas and approaches to come to the surface. One of these diversity elements is religion and beliefs. An initiative that was recently taken, is that starting this year, all staff can take one day off from work to celebrate a religious holy day, or other beliefs and values. Depending on the location the approach for this Diversity Day differs.

We strive for broad diversity in multiple ways. This includes the active promotion of employee support groups for minority groups. The support groups provide a safe environment for members to share experiences, constructively challenge and provide ideas and insights to the DE&I Board and management.

We believe that setting targets for one minority can help create the right ground to achieve diversity, equity and inclusion for other underrepresented groups, which is why we have set some initial, specific global targets for gender diversity in order to measure this and make it visible.

For more information on Robeco's approach to DE&I, please visit our 2022 Sustainability Report.

Remuneration Policy

Introduction and scope

Employees and their knowledge and capabilities are the most important asset of RIAM. In order to attract and retain staff that allows RIAM to provide value to its clients and satisfy their needs, fixed and variable remuneration is vital. It is equally vital to reward talent and performance fairly and competitively. In line with Robeco's reputation as a leader in sustainability, we compensate our employees and applies our policy in a non-discriminatory and gender-neutral manner.

Key objectives of the remuneration policy are:

- to stimulate employees to act in our clients' best interests and to prevent potential conduct of business and conflict of interest risks, adversely affecting the interests of clients
- to support effective risk management and avoid employees taking undesirable risks, taking into account the internal risk management framework
- to ensure a healthy corporate culture, focused on achieving sustainable results in accordance with the long-term objectives of RIAM, its clients and other stakeholders
- to ensure consistency between the remuneration policy and environmental, social and governance risks and sustainable investment objectives by including these risks in the key performance indicators (KPIs) used to determine variable compensation of individual staff members
- to provide for a market competitive remuneration to retain and attract talent.

The remuneration policy in a broader perspective

In general, RIAM aims to align its remuneration policy and practices with its risk profile, its function and the interests of all its stakeholders. Its approach to remuneration is intended to attract, motivate and retain colleagues who have the necessary skills, capabilities, values and behaviors needed to deliver on its strategy. This policy and RIAM's remuneration practices aim to (i) reward success whilst avoiding to reward for failure and (ii) maintain a sustainable balance between short and long-term value creation and build on RIAM's long-term responsibility towards its employees, clients, shareholders and other stakeholders.

RIAM is an asset manager with Dutch roots and nearly a century of operations
RIAM offers investment management and advisory services to institutional and private investors. In addition, RIAM manages and distributes a variety of investment funds in and outside of the Netherlands. As an asset manager, RIAM is also acutely aware of its role in the transition to a more sustainable future.

RIAM's remuneration policy is shaped by regulation and finetuned by its stakeholders
RIAM is active in a sector that is strictly regulated, impacting every aspect of its business model – including its remuneration policy and practices. A common denominator between the various sectoral remuneration regulations to which RIAM is subject, is that they all endeavor to align, at least in general terms, the interests of covered institutions with those of their stakeholders, for example through the use of deferral mechanisms, retention periods and restrictions on disproportionate ratios between fixed and variable remuneration.

Closely observing these requirements – in text and spirit – in constructing its remuneration approach and this remuneration policy, is a first step for RIAM to ensure alignment between its remuneration and the interests of its key stakeholders.

Our remuneration policy seeks to strike a balance between our function as a trusted asset manager for institutional and retail clients on the one hand and our desire to offer our employees a well-balanced and competitive remuneration package on the other hand – recognizing the inherent risks to the former posed by the latter. We believe that the balance between the interests of these two key stakeholders (clients and employees) are served by the use of specific KPIs such as those emphasizing customer centricity.

The annual variable remuneration within RIAM in principle does not exceed 200% of fixed remuneration, a limit RIAM considers appropriate in light of the market and global arena in which it operates.

Finally, in recognition of RIAM's responsibilities to Dutch – and global – society in combatting climate change, RIAM has explicitly integrated sustainability risk factors in the performance indicators of relevant employees, so that their remuneration can be aligned with sustainability risk management.

RIAM's approach to remuneration is subject to constant monitoring and change
We constantly seek and receive input from clients, employees (both through the works council and in other settings), our shareholder, regulators and other stakeholder groups about our remuneration approach, enhancing the link between remuneration outcomes and stakeholder interests.

We have set up robust governance and monitoring arrangements to ensure our remuneration policy and approach remain aligned not just with applicable law, but also with the interests of our stakeholders.

<u>Remuneration elements</u>
When determining the total remuneration of employees, RIAM periodically performs a market benchmark review. All remuneration awarded to RIAM employees can be divided into fixed remuneration (payments or benefits without consideration of performance criteria) and variable remuneration (additional payments or benefits, depending on performance).

Fixed remuneration - Monthly fixed pay
Each individual employee’s monthly fixed pay is determined based on their function and/or responsibility and experience according to the RIAM salary ranges and with reference to the benchmarks of the investment management industry in the relevant region. The fixed remuneration is sufficiently high to remunerate the professional services rendered, in line with the level of education, the degree of seniority, the level of expertise and skills required, job experience, the relevant business sector and region.

Fixed remuneration - Temporary allowances
Under certain circumstances, temporary allowances may be awarded. In general, such allowances are solely function and/or responsibility based and are not related to the performance of the individual employee or RIAM as a whole. Allowances are granted pursuant to strict guidelines and principles.
Variable remuneration
The variable remuneration pool is established based on the financial results and includes a risk assessment on the total actual variable remuneration pool. In such assessment both financial and non-financial risks are taken into account, consistent with the risk profile of RIAM, the applicable businesses and the underlying client portfolios. When assessing risks, both current and future risks that are taken by the staff member, the business unit and Robeco as a whole are taken into account. This is to ensure any variable remuneration grants are warranted in light of the financial strength of Robeco and effective risk management.

To the extent that the variable remuneration pool allows, each employee's variable remuneration will be determined at the reasonable discretion of RIAM, taking into account the employee's behavior and individual and team and/or the department's performance, based on pre-determined financial and non-financial performance factors or KPIs. Poor performance or unethical or non-compliant behavior will reduce individual awards or can even result in no variable remuneration being awarded at all. Furthermore, the variable remuneration of all RIAM staff is appropriately balanced with the fixed remuneration.

The KPIs for investment professionals are mainly based on the risk-adjusted excess returns over one, three and five years. For sales professionals, the KPIs are mostly related to the net run rate revenue, and client relationship management. The KPIs should not encourage excessive risk-taking. Furthermore, sustainability KPIs are set to ensure decisions are taken in line with the sustainability risk considerations related to investment strategies and also facilitate the implementation of relevant ESG risk-related factors consistent with our sustainability risk policy. The KPIs for support professionals are mainly non-financial and role-specific. KPIs for Control Functions are predominantly (70% or more) function and/or responsibility specific and non-financial in nature. KPIs may not be based on the financial results of the part of the business they oversee in their monitoring role. At least 50% of all employees' KPIs are non-financial.

Payment and deferral of variable remuneration and conversion into instruments
Unless stated otherwise in this paragraph, variable remuneration up to EUR 50,000 is paid in cash immediately after being awarded. If an employee's variable remuneration exceeds EUR 50,000, 60% is paid in cash immediately and the remaining 40% is deferred and converted into instruments, as shown in the table below. These instruments are 'Robeco Cash Appreciation Rights' (R-CARs), the value of which reflects the financial results over a rolling eight-quarter period of all direct or indirect subsidiaries of Robeco Holding B.V.

	Year 1	*Year 2*	*Year 3*	*Year 4*
Cash payment	60%			
R-CARs redemption		13.34%	13.33%	13.33%

Severance payments
No severance is paid in case of voluntary resignation of the employee or in case of dismissal of the employee for seriously culpable behavior. Severance payments to daily policy makers as determined in the Wft are capped at 100% of fixed remuneration and no severance shall be paid to daily policy makers in case of dismissal due to a failure of the institution, e.g., in case of a request for state aid or if substantial sanctions are imposed by the regulator.

<u>Additional rules for Identified Staff</u>
The rules below apply to Identified Staff. These rules apply in addition to the existing rules as set out above and will prevail in the event of inconsistencies. Identified Staff is defined as employees who can have a material impact on the risk profile of RIAM and/or the funds it manages. Identified Staff includes:

- members of the governing body, senior management, (senior) portfolio management staff and the heads control functions (Compliance, Risk Management, Internal Audit)
- other risk-takers as defined in the AIFMD and UCITS V, whose total remuneration places them in the same remuneration bracket as the group described above.

Monitoring and Control Staff

The following rules apply to the fixed and variable remuneration of Monitoring and Control Staff:

- The fixed remuneration is sufficient to guarantee that RIAM can attract qualified and experienced staff.
- The business objectives of Monitoring and Control Staff are predominantly role-specific and non-financial.
- The financial business objectives are not based on the financial results of the part of the business that the employee covers in their own monitoring role.
- The appraisal and the related award of remuneration are determined independently of the business they oversee.
- The above rules apply in addition to the rules which apply to the Identified Staff if an employee is considered to be part of both the Monitoring or Control Staff and Identified Staff.
- The remuneration of the Head of Compliance, Head of Internal Audit and the Head of Risk[11] falls under the direct supervision of the Nomination & Remuneration Committee.

Identified Staff

The following rules apply to the fixed and variable remuneration of Identified Staff:

- The fixed remuneration is sufficient to guarantee that RIAM can attract qualified and experienced staff.
- Part of the variable remuneration is paid in cash and part of it is deferred and converted into instruments, based on the payment/redemption table below. The threshold of EUR 50,000 does not apply. In the occasional event that the amount of variable remuneration is more than twice the amount of fixed remuneration, the percentages between brackets in the table below will apply

	Year 1	*Year 2*	*Year 3*	*Year 4*	*Year 5*
Cash payment	30% (20%)	6.67% (10%)	6.66% (10%)	6.66% (10%)	
R-CARs redemption		30% (20%)	6.67% (10%)	6.66% (10%)	6.66% (10%)

<u>Risk control measures</u>

We have identified the following risks that must be taken into account in applying our remuneration policy:

- misconduct or a serious error of judgement on the part of employees (such as taking non-permitted risks, violating compliance guidelines or exhibiting behavior that conflicts with the core values) in order to meet business objectives or other objectives
- a considerable deterioration in RIAM's financial result becomes apparent
- a serious violation of the risk management system is committed
- evidence that fraudulent acts have been committed by employees
- behavior that results in considerable losses.

The following risk control measures apply, all of which are monitored by the Supervisory Board.

Ex-post risk assessment claw back – for all employees

RIAM may reclaim all or part of the variable remuneration paid if (i) this payment was made on the basis of incorrect information, (ii) in the event that fraud has been committed by the employee, (iii) in the event of serious improper behavior on the part of the employee or serious negligence in the performance of his or her tasks, or (iv) in the event of behavior that has resulted in considerable losses for the organization.

[11] There are two Heads of Risk Management: Head of Risk and Head of Investment Restrictions.

Ex-post risk assessment malus – for Identified Staff
Before paying any part of the deferred remuneration, RIAM may decide, as a form of ex-post risk adjustment, to apply a malus on the following grounds:

- evidence of fundamental misconduct, error and integrity issues by the staff member (e.g. breach of code of conduct, if any, and other internal rules, especially concerning risks);
- a staff member having caused a considerable deterioration in the financial performance of RIAM or any fund managed by us, especially to the extent this performance was relevant to the award of variable remuneration;
- a significant deficiency in the risk management of RIAM or any fund managed by us; or
- significant changes in the overall financial situation of RIAM.

Ex-ante risk assessment – for Identified Staff
Before granting an in-year variable remuneration to Identified Staff, RIAM may decide, as a form of ex-ante risk adjustment, to apply a reduction or even reduce the variable remuneration proposal to zero in case of compliance and risk related matters, collectively or individually.

Shareholder approval
In accordance with our governance, the remuneration of the Management Board is determined by the shareholder (ORIX Corporation Europe N.V.), based on a proposal from the Supervisory Board who has been advised by the Nomination & Remuneration Committee. The remuneration of employees earning in total more than EUR 500,000 per annum requires the approval of the Supervisory Board (advised by the Nomination & Remuneration Committee) as well as the shareholder.

Annual audit
Internal Audit audits the remuneration process annually, as well as verifying the implementation of possible amendments to it and that remuneration has been in compliance with the policy.

Remuneration figures

	*Headcount**	*FTE**	*Fixed remuneration in EUR million*	*Variable remuneration** in EUR million*	*Total in EUR million*
Current and former statutory directors	3	3	1.7	2.1	3.8
Other employees	832	802	84.9	35.2	120.1
Total	**835**	**805**	**86.6**	**37.3**	**123.9**

* *Situation as at 31 December 2022*
** *Based on the awarded amounts*

In 2022, remuneration amounting to over EUR 1 million was awarded to a total of 2 employees.
The above figures are disclosed on the basis of Article 1:120 of the Wft. Furthermore, the table above includes the remuneration of the FTEs for the performance of services on behalf of Robeco, either on a full- or part-time basis. The total full-time remuneration for these FTEs is included in the table, which therefore means that for several of them the remuneration for the services performed for mutual funds managed by Robeco or legal entities other than Robeco Institutional Asset Management B.V. has been included.

Risk management
The following section presents an overview of Robeco's approach to risk management and highlights the main risks for Robeco.

Governance of risk management
At Robeco, risk management is based on the principles of sound management, as formulated in the Dutch Corporate Governance Code and in the COSO Enterprise Risk Management (ERM) principles. This ensures that risks are managed according to what is currently considered to be best practice.

The risk governance structure within Robeco is based on the Three Lines Model. The Three Lines Model helps Robeco to identify and define the responsibilities of key players in the risk governance structure and enable them to interact and achieve effective alignment, collaboration and accountability in realizing organizational objectives within the defined risk appetite. As such, all Robeco employees have a role in risk governance with dedicated risk management and compliance responsibilities. The following lines are distinguished:

- First-line roles are the primary risk owners that identify, assess and manage risks in their day-to-day decision making in the provision of products and services.
- Second-line roles are represented by the Compliance and Risk Management departments, which develop and maintain the risk policies and frameworks that enable line management to take on their risk management responsibility. Furthermore, these departments monitor and report on risk and compliance activities within the first- and second-line roles as well as relevant developments to the ERMC.
- The Internal Audit function acts as the third line and provides independent assurance on internal control by means of various audits and reviews.

In addition, to ensure efficiency in decision making, a cross-functional committee structure is in place with the following five ExCo sub-committees that have an explicit ExCo mandate for decision-making on a particular task or area.

ExCo Committee - Enterprise Risk Management Committee
The Enterprise Risk Management Committee (ERMC) is the highest body within Robeco that focuses on risks and consists of the members of the ExCo and the relevant staff departments. The ERMC is chaired by the CFRO and is responsible for evaluating and approving company-wide policies relating to risk management and compliance. The ERMC also assesses whether the risks relating to Robeco's activities remain within the defined risk tolerance levels. If risks exceed these levels, the ERMC has the power to decide to remedy the situation. The ERMC is supported by a dedicated risk management committee in respect of the financial risks associated with client portfolios and by committees and sub-committees that focus on specific issues (e.g. valuation, security, outsourcing and crisis management).

ExCo Committee - Sustainability and Impact Strategy Committee
The Sustainability and Impact Strategy Committee has the purpose to oversee, coordinate and drive sustainability matters from a company-wide perspective across Robeco. Sustainable investing is one of the key strategic pillars of Robeco’s strategy. The implementation of sustainable investing is spread across the different investment teams at Robeco in Rotterdam, Hong Kong, and Zurich. Furthermore, it requires close collaboration with the specialist teams of Active Ownership and SI research, and relies on incorporation into sales & marketing, strategic product management, risk management and IT and data processes.

ExCo Committee - Product Approval Committee
The Robeco Product Approval Committee (PAC) is ultimately responsible for approval of new products, product changes (including liquidations), seed capital requests, product reviews, and other topics as included in the Product Quality Procedure. The PAC ensures that products are launched, continued, or discontinued in the best interest of clients and adhere to Robeco’s corporate values. Each PAC member is responsible for representing the relevant domain as well as evaluating proposals in order to ensure they align with Robeco’s strategic goals. The Head of Compliance is responsible for safeguarding client interest.

ExCo Committee - Pricing Committee
The Pricing Committee ensures that attractive investment solutions and services are provided at prices appropriate to our clients while ensuring a sufficiently profitable business and compliance with applicable laws and regulations. Furthermore, the Pricing Committee verifies whether pursuing specific new or amended

business proposals fall within Robeco's strategic focus in terms of clients, investment strategies and services provided to clients. One last goal of the Pricing Committee is to create consistency and to align fees for similar business proposals between equivalent client segments.

ExCo Committee - Customer Committee
The Customer Committee is responsible for assessing the acceptability and continuation of a customer relationship from an integrity risk perspective. It provides a safeguard against accepting or continuing relationships with customers that do not fit within Robeco's integrity risk appetite or otherwise represent a threat to Robeco's reputation as a longstanding reputable financial institution. The Committee is mandated by the ExCo to have explicit, coordinated and well-documented risk acceptance for customers, especially those with increased risk indicators. Within the context of applicable laws and regulations, the Committee takes the ultimate decision on the acceptance or rejection of the integrity risk exposure of each Customer.

Supervisory Board - Audit & Risk Committee
See the section "Governance" for a description of the Audit & Risk Committee responsibilities, and the Report of the Supervisory Board for a description of its activities in 2022.

<u>Risk and control</u>
Robeco has a comprehensive control framework (the Robeco Control Framework, "RCF") which enables it to maintain integrated control of its operations and helps ensure compliance with laws and regulations. The RCF consists of several components that form a seamless process in which all significant risks are identified, assessed, controlled and monitored. Robeco's risk appetite plays a central role in the RCF, as it provides high-level guidance for determining the significance of risks and defining the appropriate control levels. The RCF is maintained continuously to determine whether the controls in place are adequate to mitigate all material risk and whether they are operating effectively.

The categories of risk described below are regarded by Robeco as the most relevant in terms of their potential impact on Robeco's ability to pursue its strategy and business activities and to maintain a sound financial position.

Strategic risks
Strategic risks can be external or internal. External circumstances such as macroeconomic developments or increasing fee pressure or competition may negatively affect the profitability of Robeco. Continuous monitoring of these developments and diversification of clients, assets and products can help mitigate the resulting impact. The inability to meet Robeco's sustainable commitment, underperformance of Robeco's products or a dependence on a limited number of key products can all pose a strategic risk. Robeco is able to address this risk sufficiently through its formal review and approval procedure for new products and business initiatives and by maintaining an adequately diversified product range. The Strategy 2021-2025 gives Robeco focus, but still ensures that a wide range of products and markets are targeted, guaranteeing sufficient diversity and attention for sustainability. The risk governance framework ensures sufficient monitoring of the sustainability risk.

Operational risk
Operational risks include transaction processing & execution failure, IT, information security, data management, third party, model and fraud risks. Operational risk is defined as the risk of loss resulting from the inadequacy or failure of internal processes, people and systems, or from external events. Robeco manages a broad range of services and products for different types of clients in various parts of the world. This means it is an organization which is exposed to risks linked to high operational costs and operational errors. Robeco performs periodical Risk & Control Self Assessments (RCSAs) to identify and mitigate operational risks to an acceptable level. Controls identified during RCSAs are periodically tested and monitored to monitor their operating effectiveness.

Fraud risk
Having a strong reputation for integrity is crucial for Robeco to safeguard market confidence and public trust. Fraud can undermine this confidence and trust. Therefore Robeco has implemented a central approach to

mitigate fraud risk, including but not limited to actions to reduce fraud risk and assessments on the effectiveness of internal controls to reduce fraud risk. Two Anti-Fraud Officers (AFOs) are appointed, one from Operational Risk Management (ORM) focusing on External Fraud and one from Compliance, focusing on Internal Fraud. These AFOs are the first point of contact for any fraud risk indications and need to ensure that these are dealt with timely and effectively. The AFOs have the following tasks:

- perform a periodical Fraud Risk Assessments and report the outcome towards the Enterprise Risk Management Committee (ERMC) and the Audit & Risk Committee (A&RC)
- perform a gap analysis to identify missing controls in the RCF
- aligning with IT Security on anti-fraud measures implemented and ways to further improve fraud detection, and
- monitor the proper follow-up of internal and external fraud incidents.

The risk of fraud inherently exists within each department with employees. Mitigating measures have been implemented within Robeco, such as segregation of duties between for example portfolio management, trading and mid- and back office. Such measures limit the actual risk of internal fraud. Although there is always the (inherent) risk of internal fraud from overriding or bypassing the internal controls, Robeco considers this a limited risk due to amongst other things the organizational setup with a proper segregation of assets; no fund assets (e.g. equities and bonds) can be stolen, as these are held by the custodians who only act upon instructions following the agreed upon processes and authorizations.

Compliance & Integrity risks
Robeco has a Code of Conduct which forms a basis of its Compliance Framework. This Code describes the behavior standards Robeco expects from its employees. All employees must sign the Code at onboarding; by signing the Code they commit to act in accordance with it. All employees sign for adherence to the Code of Conduct on an annual basis.
Furthermore, the number of regulations and supervisory body policies in the asset management industry[12] has been increasing since the global financial crisis. Dealing with the uncertainty associated with new regulations is also demanding, as their interpretation and the timeframes for implementation are often not clear. Hence, part of Robeco's operational risk stems from the regulatory environment. To manage these risks, Robeco is actively involved in the regulatory development process at an early stage, both directly and through representative associations such as the European Fund and Asset Management Association (EFAMA) and Dutch Fund and Asset Management Association (DUFAS). The monitoring activities and impact analyses of planned regulations and policies are performed at an early stage. The relevant staff departments initiate and/or monitor the subsequent implementation of new or amended laws and regulations. Robeco performs a Systematic Integrity Risk Assessment (SIRA) periodically in order to gain insight into the level of control over integrity risks, as integrity risk events may lead to financial loss, financial misstatement, and/or reputational damage. Robeco wants to ensure that it operates in a controlled way and wants to be demonstrably in control of its integrity risks. Having a strong reputation for integrity is crucial for Robeco to safeguard market confidence and public trust. In addition, the performance of the SIRA is a legal requirement.

Financial risk
Robeco is exposed to counterparty credit risk in respect of its cash balances and receivables. Default risk concerns the risk that a counterparty will not honor its obligations towards Robeco. To mitigate this risk, a comprehensive counterparty risk policy is in place and is maintained by the Risk Management function. The guiding principle is that counterparty risk is mitigated wherever possible, through the selection of counterparties (i.e., banks or other financial institutions) with high creditworthiness (based on strict rating criteria) and limiting exposure to counterparties by diversification.

Market risk is the risk of undesirable fluctuations in market prices of financial instruments that result in financial loss. Robeco has limited direct market risk exposure, resulting from fluctuations in foreign currency rates in respect of its financial positions and cash flows (primarily related to receivables and payables, revenue to be received and expenses to be paid), and from interest rate risk in relation to its current account balances. The

[12] e.g. Financial Markets Amendment Act 2016 (*Wijzigingswet financiële markten 2016)*, UCITS V, MAR, SFDR, EMIR, MiFID II.

interest rate risk is very low given the short duration of these positions, and foreign currencies are directly converted to euros to mitigate FX risk.

Indirect market risk (strategic risk) is more important as fee income is related to assets under management, which fluctuates in line with financial markets. Sharply declining financial markets lead to lower income from management fees, which can reduce profitability. This risk is mitigated among other things by offering a broad and diversified range of products and services, in various regions, currencies and asset classes, and a sound capital position.

Liquidity risk is the risk of Robeco being unable to honor short-term obligations due to a lack of liquidity. Robeco has no substantial liquidity risk, as the majority of its obligations are operational liabilities to Robeco Nederland B.V., which (through Robeco Holding B.V.) is a wholly-owned operating subsidiary of ORIX Corporation Europe N.V. To mitigate liquidity risk, cash positions are closely monitored by the Finance department and reported to the ERMC on a periodic basis.

Capital is held to cover counterparty, operational and business and strategic risk. In respect of both counterparty and operational risk, the capital is calculated based on regulatory requirements. The capital requirement for business risk is based on an internal model that focuses on the key determinants of Robeco's revenues and costs while taking into account extreme market scenarios and flow assumptions.

<u>Management review</u>
The ongoing monitoring of risk management and internal control systems is embedded in Robeco's risk governance. This provides insight into the key risks affecting Robeco. In the ERMC, the relevant staff discusses these risks with the ExCo. In addition, reports are submitted to and discussed regularly with the ExCo, Audit & Risk Committee and Supervisory Board of Robeco.

It is important to note that the proper design and implementation of internal risk management and control systems significantly reduces, but cannot eliminate, the risks associated with poor judgment, human error, control processes being deliberately circumvented, management overriding controls, and unforeseen circumstances.

Based on the monitoring of risk management and internal control systems, and an awareness of their inherent limitations as described above, we conclude that Robeco has sufficient insight into the extent to which its objectives will be realized and the reliability of its internal and external financial reporting.

Outlook

We will continue to focus on executing the strategy. We are halfway through our strategic period towards our 2025 ambitions:

- to expand our leadership position in sustainable investing
- grow the company profitably, and
- be an employer of choice

We aim to fulfill these three ambitions, while building on our key strengths in Sustainable Investing, Quant, Credits, Thematic and Emerging Markets. At Robeco we are proud of our long-term investment style, and 2023 will also provide the opportunity to set up portfolios to generate client returns in future years. We will invest in our strategic initiatives, in people, technology and data, but in a conscious way.

The shift to sustainability across all facets will be part of the biggest revolution of our time and is already happening. The industry is moving from ESG to sustainability to impact outcomes. There will be rising expectations on stewardship, engagement and new tools being developed to make sense of the massive increase in ESG data availability. The data is improving, so those dedicated to generating investment returns within a sustainable framework will be more able to evidence this.

In 2022 Robeco launched SI Open Access, providing clients, prospects, consultants and academia insights in our SDG framework and SDG scores. In 2023 we will add more SI data sets (such as country sustainability rankings) and provide more features. We are looking at SI partnerships and becoming even more open & transparent. At Robeco this is in our DNA and we will continue to strive to improve our sustainability credentials through giving evidence to clients and regulators Tackling modern slavery and working for a Just Transition towards net zero are our lead engagement themes for 2023.

Opportunities will arise in 2023, but is likely to be the second half of 2023. We will accelerate our potential growth in our key distribution markets. We aim to grow our penetration in the insurance market, and broaden our coverage of wholesale markets in targeted areas. In addition, is focusing to build out several of its product capabilities including private debt and multi asset. At the close of 2022 Robeco implemented a new global website www.robeco.com and will deploy all country websites beginning of 2023.

In April 2022, Robeco fully completed the improvement of the processes in relation to the Dutch Money Laundering and Terrorist Financing (Prevention) Act and Sanctions Act in Robeco Retail, Robeco's on-line execution-only platform, as required by the AFM in 2020, when the AFM issued an order under penalty to Robeco (the "Order"). The AFM has informed us that they have accepted all the improvements and that Robeco has not forfeited any of the penalties under the Order. In connection to this matter, the AFM has imposed an administrative fine of EUR 2 million on 31 March 2022. We have accepted and paid the fine.

After completing the AFM process improvements in April 2022 and exiting the Roparco savings product in October 2022, the Dutch Robeco Retail organization reopened its platform to new customers in December 2022. We successfully finished both projects and can therefore now offer both our existing and new customers the quality service we as Robeco stand for. Since the 2022 expenses relating to these project and the fine were part of the 2021 provisions, the impact on the 2022 income statement is limited.

Early February 2023, Robeco and Van Lanschot Kempen signed an agreement for a strategic partnership including the transfer of Robeco's online distribution platform for investment services to Van Lanschot Kempen. The partnership fits in with Robeco's strategic focus on its core business in the Dutch and global wholesale and institutional markets. Robeco's clients will retain their current investments under the same conditions at Van Lanschot Kempen, Robeco's investments funds remain available to clients through Van Lanschot Kempen's distribution platform Evi Van Lanschot. The agreement is expected to be closed mid-2023. Impact on assets under management and operating result is estimated to be limited.

As of 1 January 2023, SFDR level II has entered into force, expanding the existing regulatory package with concepts as Sustainable Investments, Principal Adverse Impact and reporting on the EU Taxonomy. Robeco implemented this part of the regulation in fall 2022, further updating prospectus and the required website disclosures. Robeco will continue to follow new guidance provided by European regulators and monitor sustainable finance trends in other regions (e.g. UK and Asia).

On the Digital strategy side we will continue our migration to Cloud solutions, we will redefine our Front Office Architecture and we will implement a Modern Data Platform based on Snowflake technology to deal with the increase and importance of data. This would enable Robeco to be ready for the future from a Digital perspective.

To become an employer of choice, we recognize that diversity, equity and inclusion play a crucial role. Steps forward, together with the DE&I Board, are welcome and necessary to show that we value diversity, promote equity, and embrace inclusion. We know that everyone brings a set of unique talents and perspectives to the table, and that this is essential for our company to continue to thrive. By reviewing existing policies, improving DE&I infrastructure systemically, enhancing leadership training, and implementing the necessary metrics, we will ensure that a solid foundation is laid for an ever stronger diverse, equal and inclusive culture.

In 2022 fueled by the Russia-Ukraine conflict, the geopolitical tension increased. Scarcity of resources, the aftermath of the Covid pandemic and inflation dominated society and financial markets and are likely to continue to do so in 2023. The strong market appreciation realized in 2021 reversed in 2022 and flows were negatively impacted by client sentiment shifting from growth to value asset classes and withdrawal of funds by larger insurance companies in need of cash following reduced credit ratings.

In the first quarter 2023 uncertainties around a number of US banks and Credit Suisse resulted in financial market turmoil and amongst others triggered measures by Central Banks and supervisory bodies. For now, the situations both in the US and Credit Suisse appear to be stabilizing, but caution remains required. Some of our portfolios are invested in equity or bonds of the institutions affected. The extent of which differs and depends on the investment strategy. Some of the banks involved were also active as brokers used by Robeco. Since they are continuously being monitored in line with our risk management framework, Robeco was able to take swift action to identify and limit exposure to these parties. Additionally, in terms of counterparty exposure (e.g. due to parties being counterpart in derivatives or lending) similar steps were taken. Within Robeco the Financial Crisis Committee (FCC) handles situations like these. The FCC is called upon in case of a (potential) financial distress event substantially impacting the inherent risk profile of client portfolios managed by Robeco. The objective of the FCC is to protect the interests and positions of our clients and of Robeco itself. The FCC has convened a number of times to monitor and discuss the situation.

Compared to record year 2021 revenues and profit decreased, but the benefit of high assets at the start of 2022, sound cost management and the realization of multiple client mandate performance fees have contributed to a strong financial result in 2022 ahead of strategy projections.

For 2023 we expect a positive contribution to revenues from client flows, but this will not outweigh the decrease of assets under management during 2022, the upward pressure on expenses due to inflation and the growing costs of investments re digitalization, sustainability and staffing for future growth. Profit is expected to decrease in 2023 compared to 2022, but outlook profit 2024-2025 shows upward trend with results on or above strategy ambitions.

Outlook 2023 for financial markets remains uncertain with high volatility on the shorter term but with solid multiyear growth expectation. Robeco is well capitalized to absorb market volatility in line with regulatory requirements. Robeco assesses multiple profitability scenario’s for 2023 all indicating positive numbers, such analysis is repeated regularly to be able to respond timely to unexpected events.

The Management Board thanks all employees for their commitment, energy and professionality. Together we have come through a particularly turbulent year and are moving forward with confidence.

Rotterdam, 20 April 2023
The Management Board

Report of the Supervisory Board

Meetings of the Supervisory Board

In 2022, the Supervisory Board met nine times. As Covid restrictions were lifted in the Netherlands during 2022, most of the members of the Supervisory Board were able to meet in person. The Audit & Risk Committee met six times, and the Nomination & Remuneration Committee seven times. All regular Supervisory Board meetings were attended by all Supervisory Board members, with two exceptions. Furthermore, all members of the Executive Committee ('ExCo') and other guests attended the regular Supervisory Board meetings in 2022. The Supervisory Board also met in closed sessions, mostly without any of the ExCo members and sometimes without the Company Secretary.

At the meetings of the Supervisory Board and those of its committees, due consideration was given to developments in the financial markets, performance of products, and Robeco's financial results. Furthermore, the Supervisory Board discussed the new governance structure introduced for Robeco Holding B.V. and for Robeco (see Section 4 "Corporate Structure"). With regard to changes in rules and regulations, the Supervisory Board adheres to regulatory control and ensures due consideration of regulatory developments. In that context, the Supervisory Board and Audit & Risk Committee regularly received updates on the review of and improvements in Robeco's internal risk management and internal control framework, as well as progress of the remedial measures at Robeco Retail. The interests of clients are considered to be a key issue and, consequently, an important point of focus.

The Supervisory Board has ensured the application of Robeco's Principles on Fund Governance, which have been defined by Robeco to address conflicts of interest between Robeco as fund manager and the investors in the funds.

Another subject that comes up on a regular basis in the Supervisory Board's discussions is the developments in the financial markets in connection with the strategic challenges for Robeco that result from these developments. International political developments are also discussed. In terms of human resources, the Supervisory Board acknowledges the importance of recruiting, training, developing and retaining talent as a key element in successfully running an asset management company. That means providing professionals with appropriate opportunities while pursuing a remuneration policy in line with market standards and complying with applicable laws and regulations. Developments in human resources and succession planning of key senior executives are therefore also monitored and discussed regularly in Supervisory Board meetings.

The Supervisory Board discussed Robeco's results with the ExCo on the basis of periodic reports. It focused on the realization of the budgetary targets, the investment results, the development of assets under management as a result of market movements and net new money flows, the cost/income ratio, the overall profitability, and risk management, compliance, legal and operational matters. The Supervisory Board was regularly updated on and involved in Robeco's strategic projects throughout the year.

The Supervisory Board was informed that in April 2022, Robeco fully completed the improvement of the processes in relation to the Dutch Money Laundering and Terrorist Financing (Prevention) Act and Sanctions Act in Robeco Retail, Robeco's on-line execution-only platform, as required by the AFM in 2020. At that time, AFM issued an order under penalty to Robeco (the "Order"). The AFM has informed Robeco that they have accepted all the improvements and that Robeco has not forfeited any of the penalties under the Order. The Supervisory Board was also informed that in connection to this matter, the AFM has imposed an administrative fine of EUR 2 million on 31 March 2022. Robeco has accepted and paid the fine.

Supervisory Board committees

There are two Supervisory Board committees: the Audit & Risk Committee (A&RC) and the Nomination & Remuneration Committee (N&RC).

Audit & Risk Committee

The members of this committee are Sonja Barendregt-Roojers (Chair), Stan Koyanagi, Maarten Slendebroek, Mark Talbot and Radboud Vlaar. Audit, Risk, Compliance and Legal matters were discussed by the committee and where relevant also in the Supervisory Board meetings. The meetings were attended by members of the Management Board as well as the heads of Internal Audit, Compliance, Risk Management, Legal and by the external auditor. On the basis of quarterly reports from the respective departments mentioned, the A&RC discussed various financial reporting, internal audit, compliance, legal and risk & control related issues. Regulatory issues and the relationship with the AFM were also discussed on a regular basis. The (interim) financial reports and the independent auditor’s reports were discussed and approved. Among other topics, various risk management related issues were discussed, as well as monitoring of fund principles, investment results, internal and external audit plans, a review of Robeco products, and Robeco’s and the Robeco funds’ annual and semiannual reports. In the context of the Covid pandemic, the A&RC was informed on matters of health and safety and other aspects of business continuity. The improvement of the compliance framework regarding client due diligence and related requirements in the area of our retail fund distribution activities was closely monitored. Two closed sessions were held with the independent auditor, KPMG, as well.

Nomination & Remuneration Committee

The members of this committee are Mark Talbot (Chair), Sonja Barendregt-Roojers, Stan Koyanagi, Maarten Slendebroek and Radboud Vlaar. Nomination, succession and remuneration matters were discussed several times in 2022. The CEO, CHRO (until 1 February 2022) and Head of Compensation & Benefits also attended the meetings. One of the recurring items on the agenda is fixed and variable remuneration. The results of the Employee Engagement Survey were also reported and discussed. Amongst other items, the N&RC reported to the Supervisory Board regarding KPIs of the ExCo members and periodically assessed the performance of the individual members of the ExCo. Finally, succession matters of the Management Board, Supervisory Board and ExCo members were discussed.

Recommendation to adopt the annual financial statements

The Supervisory Board has taken note of the contents of the report presented by KPMG, who issued an independent auditor's report on the 2022 annual financial statements. We recommend approval of the annual financial statements by the Annual General Meeting of Shareholders and we concur with the Management Board’s proposal to pay out the 2022 net profit of EUR 88.0 million as dividend to the shareholder, which proposal will be submitted to the Annual General Meeting of Shareholders.

Rotterdam, 20 April 2023
The Supervisory Board

Financial Statements 2022

Income Statement

for the year ended 31 December

EUR x million	*Notes*	*2022*	*2021*
Net revenues	1	796.9	849.3
Distribution and subadvisory costs	2	-323.6	-338.8
Gross margin		**473.3**	**510.5**
Administrative expenses	3	273.5	262.7
Employee benefits expenses	4	24.4	20.7
Depreciation and amortization	7-9	2.6	2.6
Other expenses	5	55.3	70.8
Total operating expenses		**355.8**	**356.8**
Operating result		**117.5**	**153.7**
Finance income and similar income		1.2	0.2
Finance expense and similar expenses		-1.1	-0.8
Result before tax		**117.6**	**153.1**
Income tax expense	6	29.6	39.9
Result for the year		**88.0**	**113.2**

Balance Sheet as at 31 December

before profit appropriation

EUR x million	*Notes*	*2022*	*2021*
ASSETS			
Fixed assets			
Intangible assets	7	1.8	1.9
Tangible fixed assets	8	0.7	0.4
Right-of-use assets	9	4.1	2.6
Deferred tax assets	10	5.2	8.4
Total fixed assets		**11.8**	**13.3**
Current assets			
Trade receivables	11	59.5	74.2
Receivables from group companies	12	92.4	88.9
Accrued fees	13	26.7	26.1
Current tax assets		1.9	0
Other receivables	13	1.8	1.7
Cash and cash equivalents	14	140.3	256.1
Total current assets		322.6	447.0
Total assets		**334.4**	**460.3**
EQUITY AND LIABILITIES			
Equity	15		
Issued capital		0.1	0.1
Share premium		31.5	31.5
Other reserves		1.0	1.3
Retained earnings		108.0	140.8
Unappropriated result financial year		88.0	113.2
Total equity		**228.6**	**286.9**
Provisions	16	**1.6**	**12.3**
Non-current liabilities			
Employee benefits	17	2.7	3.3
Lease liabilities	9	3.1	1.7
Total non-current liabilities		**5.8**	**5.0**
Current liabilities			
Distribution and subadvisory accruals	18	37.5	48.5
Employee benefits	18	10.5	7.3
Liabilities to group companies	19	32.0	79.2
Lease liabilities	9	1.0	0.9
Current tax liabilities		3.6	8.8
Other liabilities	18	13.8	11.4
Total current liabilities		**98.4**	**156.1**
Total equity and liabilities		**334.4**	**460.3**

Notes to the financial statements

General information

Robeco Institutional Asset Management B.V. (also referred to as "the Company" or RIAM) is established in the Netherlands, having its legal seat in Rotterdam. The main activities of the Company are regular investment management activities on behalf of clients, including investment funds. The Company receives management fees and other fees for these activities. Offering alternative investments can also be considered as main activities of the Company. The Company also offers investment products to retail clients directly. The product range encompasses equity and fixed-income investments. Sales relate mainly to funds which are legally located in the Netherlands and Luxembourg.

All shares of the Company are held by Robeco Holding B.V. The domestic ultimate parent of the Company is ORIX Corporation Europe N.V. which is wholly owned by ORIX Corporation (ORIX), with registered office in Tokyo, Japan.

In these financial statements, Robeco Group Companies refers to those subsidiaries of ORIX Corporation Europe N.V. that have transactions with the Company.

The Company has both an AIFMD license as referred to in article 2:65 of the Dutch Financial Supervision Act ('Wft') and a license to act as manager of UCITS as referred to in article 2:69b of the Wft. RIAM is moreover authorized to manage individual assets and give advice with respect to financial instruments. RIAM is subject to supervision by the Dutch Authority for the Financial Markets (the 'AFM').

General policies, accounting policies applied to the valuation of assets and liabilities and principles for the determination of the result

The financial statements of the Company are prepared in accordance with Dutch law (section 2:9 of the Dutch Civil Code) and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

The financial statements cover the year 2022, which ended at the balance sheet date of 31 December 2022.

The valuation principles and method of determining the result are the same as those used in the previous year.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

Basis of preparation

The accounting policies applied for measurement of assets and liabilities and determination of results are based on the historical cost convention, unless otherwise stated in the further accounting principles.

The financial statements are presented in euros. The euro is the functional and presentation currency of Robeco Institutional Asset Management B.V. Numbers are rounded to the nearest tenth of a million and all amounts disclosed in the notes to the income statement and the balance sheet are in millions, except when explicitly stated otherwise.

The financial statements have been prepared on the basis of the going concern assumption.

Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires the use of judgment and estimates. This affects the recognition and valuation of assets, provisions and liabilities, the disclosure of contingent liabilities as of the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, the actual results may differ ultimately from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

The accounting policy relating to Other provisions is in the opinion of management the most critical in preparing these financial statements and requires judgements, estimates and assumptions.

Foreign currencies
At initial recognition, transactions denominated in a foreign currency are translated into the functional currency of the Company using the exchange rates at the date of the transactions. Monetary assets and liabilities denominated in other currencies are translated into euros at the spot rates prevailing at the balance sheet date. Non-monetary items measured at historical cost are translated using the exchange rates prevailing at the date of the initial recognition of the transaction. Non-monetary items measured at fair value are converted using the exchange rates at the date when the fair value was determined. The assets and liabilities of foreign operations are translated into euros at exchange rates prevailing at the balance sheet date.

Income and expenses are converted at the average exchange rate of the relevant month. The exchange rate differences are taken to the income statement and are recorded in the other expenses. Changes in the valuation of investments in foreign entities are recorded in equity as part of the translation reserve. Translation reserves are restricted by nature (and according to Dutch law).

Cash flow statement
According to RJ 360.104, a cash flow statement is not required in the financial statements of the Company since the cash flows are included in the consolidated statement of cash flows of ORIX Corporation Europe N.V., the domestic ultimate parent of the Company. The consolidated statement of ORIX Corporation Europe N.V. are filed with the Dutch Chamber of Commerce.

Income and Expense recognition
Income is recognized in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises, of which the size can be measured reliably. Expenses are recognized when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises, of which the size can be measured with sufficient reliability. Revenues and expenses are allocated to the respective period to which they relate.

Net revenues
Net revenues include management fees, service fees, subadvisory fees, performance fees, fees from clients, revenues from marketing and sales activities and other fees. Revenues from services rendered are recognized in the profit and loss account when the amount of the revenue can be determined reliably, collection of the related compensation to be received is probable, the extent to which the services have been performed on the balance sheet date can be determined reliably, and the costs already incurred and (possibly) yet to be incurred to complete the service can be determined reliably. Management and service fees are primarily based on predetermined percentages of the market values of the assets under management and are affected by changes in assets under management, including investment performance, net subscriptions or redemptions and fluctuations in exchange rates. Performance fees are calculated as a percentage of the predefined excess performance of the relevant assets under management and recorded when earned and highly probable. Fees from clients, revenues from marketing and sales activities and other fees are recognized in the period in which the services are rendered.

Distribution and subadvisory costs
Distribution and subadvisory costs include trailer fees and subadvisory costs payable to third- and related parties. Trailer fees and subadvisory costs are recognized when the services have been provided. Trailer fees are primarily based on predetermined percentages of the market values of the average assets under management of the investments, including investment performance and net subscriptions or redemptions. Subadvisory costs are paid to third party asset managers. These costs are mainly based on predetermined percentages of the market values of the average assets under management of the investments.

Carried interest
The Company is entitled to receive a share of the realized profits of certain third-party Private Equity Investee Funds (carried interest). Carried interest is calculated based on a share of profits taking into account the cash already distributed by the Investee Funds and the amount of divestment proceeds receivable or to be received upon disposal as estimated by the Company. Proceeds are distributed by the Investee Funds in such a manner that the Company will not receive a distribution of carried interest before the Partners of the Investee Fund have received their Contributed Capital and an agreed upon return on their investments.

Since only the carried interest amounts received in cash are to be regarded as reasonably assured, carried interest is recognized as revenue in the Income Statement as from the actual distribution by the Investee Funds. The paid out carried interest amounts are to be regarded as advances on the final amount calculated upon liquidation of the Investee Funds, since they are subject to claw back until a point in time toward the end of life of the Investee Funds.

Employee benefits expense

Employee benefits are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognized as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the Company.

Relating to the deferred variable remuneration of employees the projected costs are taken into account during the employment e.g. service period. The following main assumptions are taken into consideration for the costs accrued:

- The service period is split into 75% (current year) and 8,33% for the next three years (deferred part).
- The value of the deferred variable remuneration – predominantly 'Robeco Cash Appreciation Rights' (R-CARs) – is based on a rolling eight-quarter period of Robeco's operational result.

Termination benefits are employee benefits provided in exchange for the termination of the employment. These are included in Employee benefits expenses and are recognized as an expense when the Company is demonstrably and unconditionally committed to make the payment of the termination benefit. If the termination is part of a restructuring, the costs of the termination benefits are part of the restructuring provision. See the policy under the heading 'Provisions'.

Termination benefits are measured in accordance with their nature. When the termination benefit is an enhancement to post-employment benefits, measurement is done according to the same policies as applied to post-employment plans. Other termination benefits are measured at the best estimate of the expenditures required to settle the liability.

Dutch pension scheme

Domestic staff is made available to the Company through an intercompany service agreement. Robeco Nederland B.V. is legally the employer of personnel, recharging related expenses to the Company. Robeco Nederland B.V. has a pension scheme for its employees with Stichting Pensioenfonds Robeco, a company pension fund.

The pension plan for employees of Robeco Nederland B.V. is a defined contribution pension plan. The funding has been based on a CDC arrangement (Collective Defined Contribution). The premium is fixed for a certain period of time. In 2022 a fixed premium was agreed, as well as for 2023 and 2024. This contribution is based on a conditional average-salary pension plan (middelloonregeling) in line with prevailing tax and pension legislation. Pension accrual in a conditional average-salary pension plan has been capped at 1.738% per annum of average pensionable earnings up to a certain salary amount (EUR 84,882). Pension accrual is not guaranteed. Above this salary amount the employer makes an individual contribution available (DC) dependent on individual salary and age. The premiums payable in respect of employees' pension entitlements are paid to Stichting Pensioenfonds Robeco

The provisions of the Dutch Pension Act ('Pensioenwet') are applicable for the Dutch pension scheme. Premiums are paid for the Company and are based on (legal) requirements, a contractual or voluntary basis to its pension fund. The Company applies the liability approach for all pension schemes. Premiums are recognized as employee cost when they are due.

Foreign Pension plans

Pension plans that are comparable in design and functioning to the Dutch pension system, having a strict segregation of the responsibilities of the parties involved and risk sharing between the said parties (the Company, the fund and its members) are recognized and measured in accordance with Dutch pension plans.

Finance income and expense and similar income and expenses

Finance income and expense are recognized as earned or incurred. Finance income comprises of income related to cash and short-term loans. Finance expense comprises of interest payable on interest-bearing loans.

Corporate income tax

Robeco Institutional Asset Management B.V. is part of the Dutch fiscal unity of ORIX Corporation Europe N.V. for corporate income tax purposes. The Company is jointly and severally responsible for the resulting tax liability, as are the other companies that are part of the tax group. Some foreign offices of the Company are considered to be permanent establishments. These offices are therefore subject to corporate income tax in the country they operate and file their own corporate income tax returns. The profits made by these foreign offices will not be taxable in the Netherlands due to participation exemption rules avoiding double (corporate income) taxation.
The calculation of corporate income tax is made as if the Company is an independent taxpayer. Payable corporate income taxes have been settled, through Robeco Holding B.V, with ORIX Corporation Europe N.V. via

the current account under the heading Group companies. The taxes are calculated on the basis of the applicable rate for tax, taking into account tax-exempt profit constituents and deductible items. The tax rates and laws used to compute taxable amounts are those enacted or substantially enacted at the reporting date.
Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement.
Deferred tax is provided on temporary differences at the reporting date between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, at the tax rates that are expected to apply in the year when the asset is realized and the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.
A deferred tax asset is recognized for tax benefits relating to the carry forward of unused tax losses when it is probable that estimated future taxable profits will be available to offset these losses.

The carrying amount of deferred income tax assets is reviewed annually and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be realized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

A deferred tax liability is provided for the recognized taxable temporary differences between the tax base and the carrying amount for financial reporting purposes at the reporting date. Deferred tax liability is also provided in respect of loss recapture due to double tax relief regulations. The deferred tax liability is recorded at nominal value.

Recognition and derecognition of assets
An asset is recognized in the balance sheet when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably. It remains on the balance sheet if a transaction (with respect to the asset) does not lead to a major change in the economic reality with respect to the asset. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken in to account in this assessment.

An asset is no longer recognized in the balance sheet when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset being transferred to a third party. In such cases, the results of the transaction are directly recognized in the profit and loss account, taking into account any provisions related to the transaction. If assets are recognized of which the Company does not have the legal ownership, this fact is being disclosed.

Intangible assets
Intangible assets are measured at acquisition cost less any accumulated amortization and any accumulated impairment losses determined individually for each asset.

Intangible assets consist of customer relations acquired in business combinations. Intangible assets which have been acquired in business combinations are recognized at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at initial fair value less accumulated amortization and any accumulated impairment losses. The useful lives of customer relations are finite and such assets are amortized on a straight-line basis over their estimated useful lives, with amortization being charged to the income statement.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of the annual reporting period. Amortization is effected on a straight-line basis. The amortization period is 3 years.

The accounting principles for the determination and recognition of impairments are included under the section Impairments of fixed assets.

Tangible fixed assets
Tangible fixed assets are measured at acquisition cost less accumulated depreciation and impairment losses. Tangible assets are depreciated over their estimated useful lives, on a straight-line basis. The depreciation period is 3 to 10 years.

The accounting principles for the determination and recognition of impairments are included under the section Impairments of fixed assets.

Impairment testing of fixed assets

In accordance with RJ 121, Impairment of Assets, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment, at each reporting date. If such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

Reversal of a previously recognized impairment loss only takes place when there is a change in the assessment used to determine the recoverable amount since the recognition of the last impairment loss. In such case, the carrying amount of the asset is increased to its recoverable amount, but not higher than the carrying amount that would have applied if no impairment loss had been recognized in previous years for the asset.

Financial instruments

A financial asset or a financial liability is recognized in the balance sheet when the contractual rights or obligations in respect of that instrument arise. Financial instruments (and individual components of financial instruments) are presented in the separate financial statements in accordance with their legal form.

The following financial instruments are recognized in the financial statements: loans, trade and other receivables, cash items and (other) financial liabilities. Financial instruments are initially measured at fair value, including discounts/premium and any directly attributable transaction costs, with involving parties who are well informed regarding the matter. If instruments are not subsequently measured at fair value with value changes recognized in the profit and loss account, any directly attributable transaction costs are included to the initial measurement.

After initial recognition, financial instruments are valued in the manner described below. Loans and (other) receivables are valued at amortized cost on the basis of the effective interest method less impairment losses. (Other) financial liabilities are measured after their initial recognition at amortized cost on the basis of the effective interest rate method. The effective interest is directly recorded in the profit and loss account.

A financial instrument is no longer recognized in the balance sheet when there is a transaction that results in a transfer to a third party of all or substantially all of the rights to economic benefits and all or substantially all of the risks related to the position.

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously.

Trade and other receivables found not to be individually impaired are collectively assessed for impairment by grouping together receivables with similar risk characteristics. In assessing collective impairment, the Company uses historical trends of the probability of default and the increase of the number of receivables in its portfolio that are past due for more than 90 days. The outcome is adjusted when management is of the opinion that current economic and credit conditions are such that it is probable that actual losses will be higher or lower than the historical trends are suggesting. The carrying amount of receivables is reduced by an allowance for doubtful debts. Receivables that appear to be irrecoverable are written off against the allowance. Other additions to and withdrawals from the allowance are recognized in the profit and loss account.

When, in a subsequent period, the amount of an impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the decrease in impairment loss is reversed through profit or loss (up to the amount of the original cost).

Current assets

The accounting policies applied for the valuation of the current assets are described under the heading 'Financial instruments'.

Cash and cash equivalents

Cash and cash equivalents are valued against nominal value.

Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate ruling at that date. The accounting policies applied for cash and cash equivalents in foreign currencies are described under the heading 'Foreign currencies'.

Provisions

A provision is recognized when the Company has a legal or constructive obligation as a result of a past event, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are stated at nominal value of the best estimate of the expenditures that are expected to be required to settle the liabilities and losses. In case the duration of the provision is more than one year and the time value is material, provisions are stated at the present value.

A provision for claims, disputes and lawsuits is established when it is expected that the Company will be sentenced in legal proceedings. The provision 'possible loss of income' represents the best estimate of the amount for which the claim can be settled, including the costs of litigation. The other provisions are carried at the nominal value of the expenditure that is expected to be necessary in order to settle the obligation, unless stated otherwise.

A restructuring provision is recognized when at the balance sheet date the entity has a detailed formal plan and ultimately at the date of preparation of the financial statements a valid expectation of implementation of the plan has been raised in those that will be impacted by the reorganization.

A valid expectation exists when the implementation of the reorganization has been started, or when the main elements of the plan have been announced to those for whom the reorganization will have consequences.

The provision for restructuring costs includes the costs that are directly associated with the restructuring, which are not associated with the ongoing activities of the Company.

Leasing

The Company leases various offices at its branch offices. Robeco Nederland B.V. leases the office in the Netherlands and recharges the housing costs to the Company based on the intercompany service agreement. Lease accounting of this office is limited to Robeco Nederland B.V. Rental contracts are typically made for fixed periods of 3 to 10 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Liabilities arising from a lease are initially measured on a present value basis. The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate,
- (if applicable) amounts expected to be payable by the lessee under residual value guarantees,
- (if applicable) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- (if applicable) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The Company uses the incremental borrowing rate for calculating the discounted value of future lease payments.

Assets arising from a lease are initially measured on a cost basis. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.
unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.
Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture. The Company uses the practical expedients and therefore not to recognize the amounts in regard to short-term leases, non-lease components and low-value assets on balance.

Extension and termination options are included in several lease agreements across the Company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor. None of the lease payments made in the current year were optional.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Extension options in office leases have not been included in the lease liability, because the Company can replace the assets without significant cost or business disruption.

Recognition and derecognition of liabilities

A liability is recognized in the balance sheet when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably. It remains on the balance sheet if a transaction (with respect to the liability) does not lead to a major change in the economic reality with respect to the liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken in to account in this assessment

A liability is no longer recognized in the balance sheet when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the liability being transferred to a third party. In such cases, the results of the transaction are directly recognized in the profit and loss account, taking into account any provisions related to the transaction.

Equity

Amounts contributed by the shareholder of the Company in excess of the nominal share capital, are accounted for as share premium. This also includes additional capital contributions by existing shareholders without the issue of shares or issue of rights to acquire or acquire shares of the Company.

Related parties

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes, amongst others, the relationship between the Company and its subsidiaries, shareholders, directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless whether anything has been charged.
Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognized in the financial statements.

Events that provide further information on the actual situation at the balance sheet date and that appear after the financial statements have been prepared but before the adoption of the financial statements, are recognized in the financial statements only if it is essential for the true and fair view.

Events that provide no information on the actual situation at the balance sheet date are not recognized in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

Notes to the income statement

1 Net revenues

The net revenues can be specified as follows:

EUR x million	2022	2021
Management fees	636.5	687.8
Service fees	99.5	108.0
Performance fees	21.6	11.5
Subadvisory fees	17.6	16.8
Fees from clients	15.7	18.5
Revenues from marketing and sales activities	6.0	6.7
Total net revenues	**796.9**	**849.3**

The Company receives management fees and service fees for its asset management activities directly from funds and mandates. The decrease of these fees relates to lower average assets under management.
Subadvisory fees and Revenues from marketing and sales activities are received from other Robeco Group companies. Fees from clients relate to retail clients.

Segment information

The following information about revenues is included to comply with Section 380 of Book 2 of the Dutch Civil Code. The revenues are allocated based on the domicile of the underlying fund or mandate.

EUR x million		2022		2021
Total revenue by region				
Luxembourg	78%	625.0	79%	668.6
Netherlands	11%	83,4	12%	103.4
Rest of Europe	4%	34.8	4%	32.8
Outside Europe	7%	53.7	5%	44.5
Total net revenues	**100%**	**796.9**	**100%**	**849.3**

2 Distribution and subadvisory costs

The costs can be broken down as follows:

EUR x million	2022	2021
Distribution costs	214.0	227.7
Subadvisory costs	109.6	111.1
Total distribution and subadvisory costs	**323.6**	**338.8**

Distribution costs paid to other Robeco Group companies amount to EUR 57.9 million (2021: EUR 60.9 million). Subadvisory costs paid to other Robeco Group companies amount to EUR 109.6 million (2021: EUR 111.1 million).

3 Administrative expenses

Administrative expenses consist of costs charged by other group companies in the amount of EUR 273.5 million (2021: EUR 262.7 million) of which Robeco Nederland B.V. charges re. operating costs in the amount of EUR 247.6 million (2021: EUR 249.5 million). Charged operating cost relate to the management of investment funds and mandates and related financial services. The cost allocation includes indirect organizational costs and direct business-related costs, which, amongst others, include costs for staff, information technology, marketing and housing. Part of the operating costs charged by Robeco Nederland B.V. is disbursed to other group companies.

Domestic staff is made available to the Company through an intercompany service agreement. Robeco Nederland B.V. is legally the employer of personnel, recharging related expenses to the Company. The charge concerns 704 FTE’s on average in 2022 (2021: 654 FTE’s) direct and indirect personnel. These expenses also include disbursements to other entities within Robeco Group. Robeco Nederland B.V. is a wholly owned (indirect) subsidiary of ORIX Corporation Europe N.V., the domestic ultimate parent company of Robeco Institutional Asset Management B.V.

Administrative expenses also include EUR 5.0 million (2021 EUR 5.2 million) expenses to support the set-up of distribution opportunities in China and Japan as well as recharges mainly relating to staff working for the Company at other Robeco entities of EUR 24.4 million (2021 EUR 10.2 million) to the Company and vice versa of EUR 3.5 million (2021 EUR 2.2 million).

4 Employee benefits expense

The staff of Robeco Institutional Asset Management B.V is employed in two different ways. Domestic staff is located in the Netherlands and is legally employed by Robeco Nederland B.V., the group's domestic service company. See note 3 for the recharge of the domestic staff expenses. International staff is formally employed by the Company and is located in the Company's international offices. Staff costs can be specified as follows:

EUR x million	**2022**	**2021**
Wages and salaries	20.3	17.9
Social security and pension costs	2.5	1.7
Other employee benefits expenses	1.6	1.1
Total employee benefits expense	**24.4**	**20.7**

In 2022 a release of EUR 0.1 million related to a restructuring plan was included under Other employee benefits expenses (refer to note 16 provisions).

During 2022, on average 65 FTE’s (2021: 55 FTE’s) international staff was executing operational activities on behalf of the Company. The pensions of legally employed staff are based on defined contribution plans. These plans are provided by external insurance companies. The pension costs concern the paid insurance premiums by the Company.

The distribution of the average international staff by country is as follows:

Average FTE’s	**2022**	**2021**
Germany	19	16
United Kingdom	25	19
Spain	7	7
United Arab Emirates	3	4
Italy	11	9
Total average number of employees	**65**	**55**

5 Other expenses

Other expenses can be specified as follows:

EUR x million	2022	2021
Fund and client related costs	44.9	46.2
Marketing	4.5	3.5
Audit costs	1.5	1.6
Travel and accommodation	1.2	0.1
Information technology	1.4	0.5
Housing and furniture	0.6	0.4
Addition to other provisions	-	17.6
Other	1.2	0.9
Total other expenses	**55.3**	**70.8**

Other expenses of 2021 includes an EUR 17.6 million addition to the Other provisions.

With reference to Section 2:382a of the Netherlands Civil Code, the following fees for the financial year have been charged by KPMG (and its network of offices) to the Company.

EUR x million	2022	2021
Audit financial statements	0.2	0.2
Other audit engagements	2.1	1.9
Total	**2.3**	**2.1**

Other audit engagements mainly comprises of audits of funds and services related to assurance reports on controls at the Company (ISAE 3402).

6 Income tax expense

The tax on the result can be specified as follows:

EUR x million	2022	2021
Result before tax	**117.6**	**153.1**
Tax at the Netherlands tax rate of 25.8% (2021 – 25%)	30.4	38.3
Difference in overseas tax rates	-0.2	0.3
Non-deductible costs	0.7	1.2
Deferred corporate income tax	0.8	-0.1
Corporate income tax previous financial years	-2.1	0.2
Tax on result	**29.6**	**39.9**
Effective tax rate	25.2%	26.1%
Applicable tax rate	25.8%	25.0%

The Dutch statutory tax rate in 2022 was 25.8% (2021: 25%). The current tax is settled monthly, through Robeco Holding B.V., with ORIX Corporation Europe N.V., the head of the Dutch fiscal unity (see note 21).
The income tax expense in 2022 was EUR 29.6 million (2021: EUR 39.9 million). In 2022 the effective tax rate was 25.2% (2021: 26.1%). The difference in statutory (25.8%) and effective tax rate (25.2%) is mainly caused by on the on hand a gain of relating to closing of uncertain tax positions after finalizing prior year income tax filings and on the other hand to non-deductible costs and adjustments to the deferred tax asset (see note 10).

Notes to the balance sheet

7 Intangible assets

Movements in intangible assets were as follows:

EUR x million	2022	2021
Cost at 1 January, net of accumulated amortization and impairment	**1.9**	**1.4**
Additions	1.5	2.2
Disposals	-1.2	-0.6
Cumulative amortization disposals	1.2	0.6
Amortization	-1.6	-1.7
Net carrying amount at 31 December	**1.8**	**1.9**
At 31 December		
Cost	3.8	3.6
Accumulated amortization and impairment	-2.0	-1.7
Net carrying amount at 31 December	**1.8**	**1.9**

The intangible assets relates to software and client relationship transfers. It includes a transfer of Luxembourg and UK client relationships from Robeco Switzerland AG to Robeco Institutional Asset Management B.V. respectively the Company's branch Robeco United Kingdom as of 1 April 2022 respectively 1 January 2021. Both to be fully depreciated within 3 years.

8 Tangible assets

Movements in tangible assets were as follows:

EUR x million	2022	2021
Cost at 1 January, net of accumulated amortization and impairment	**0.4**	**0.5**
Additions	0.4	0.1
Depreciation	-0.1	-0.2
Net carrying amount at 31 December	**0.7**	**0.4**
At 31 December		
Cost	1.9	1.5
Accumulated depreciation	-1.2	-1.1
Net carrying amount at 31 December	**0.7**	**0.4**

The tangible assets fully relates to leasehold improvements and hardware.

9 Leases

This note provides information for leases where the Company is a lessee.

Amounts recognized in the balance sheet

The balance sheet shows the following amounts relating to leases:

EUR x million	2022	2021
Right-of-use assets related to property (office buildings)		
Cost at 1 January, net of accumulated amortization and impairment	2.6	2.0
Additions	2.4	1.4
Disposals	-0.7	-0.6
Cumulative depreciation disposals	0.7	0.6
Depreciation	-0.9	-0.8
Net carrying amount at 31 December	**4.1**	**2.6**
At 31 December		
Cost	5.5	3.8
Accumulated depreciation	-1.4	-1.2
Net carrying amount at 31 December	**4.1**	**2.6**
Lease liabilities		
Contractual undiscounted maturities at 31 December		
Less than 1 year	1.0	0.9
Between 1 and 5 years	2.5	1.8
Over 5 years	0.7	-
Total contractual cash flows	**4.2**	**2.7**
Carrying amount at 31 December		
Current	1.0	0.9
Non-current	3.1	1.7
	4.1	**2.6**

Amounts recognized in the income statement

The income statement shows the following amounts relating to leases:

EUR x million	2022	2021
Depreciation of right-of-use assets (office buildings)	0.9	0.8

10 Deferred tax assets

The deferred tax asset relates to temporary differences in the Company and its branches that are deductible in determining taxable profit of future periods in total of EUR 1.2 million (2021: EUR 3.2 million). The deferred tax assets also contains an amount of EUR 3.9 million (2021: 5.2 million) as a result of the merger with Robeco Luxembourg and will be amortized in 10 years, starting 2021. In 2022 this deferred tax asset was adjusted downwards with EUR 1.0 million, based on the final settlement with Dutch tax authorities on the deductible amount in the Netherlands.
The deferred tax assets also contains an amount of EUR 0.1 million as a result of the transfer of a Luxembourg client of the affiliated Swiss company Robeco Switzerland to Robeco Institutional Asset Management B.V, as of 1 April 2022.

The current part of the deferred tax assets amounts to EUR 1.8 million (2021: EUR 3.8 million).

11 Trade receivables

Trade receivables relate to outstanding invoices and fees from funds, which are collected without invoicing. The fair value of the receivables approximates the carrying amount due to their short-term character. No provisions for bad debt is recognized, trade receivables have no history of non-performance.

12 Receivables from group companies

This item relates to current accounts and current account loans with Robeco Group companies which are expected to be settled within one year. The current accounts are settled periodically and amounted to EUR 12.4 million at 31 December 2022 (2021: EUR 8.9 million).

The Company has granted a current account loan to Robeco Holding B.V. This loan is receivable on demand. The balance was EUR 80.0 million at 31 December 2022 (2021: EUR 80.0 million). The loan is granted for cash management purposes and the interest rate is based on Euribor and a risk premium. The effective interest rate in 2022 was 1.0% on average (2021: 0.4%). The fair value of the receivables approximates the carrying amount due to their short-term character.

13 Accrued fees and other receivables

Accrued fees mainly consist of accruals for management fees, performance fees and other fees. All outstanding amounts are expected to be received within 12 months. Following the actual invoicing to clients, the management fee related costs are netted with the management fee.
The fair value of the accrued fees and other receivables approximates the carrying amount due to their short-term nature.

14 Cash and cash equivalents

Cash and cash equivalents consist of immediately available credit balances at banks and a money market fund.

15 Equity

At 31 December 2022, the Company's placed and paid in full share capital amounted to EUR 41 thousand (90 ordinary shares).

EUR x million	Issued capital	Share premium	Other reserves	Retained earnings	Result financial Period	Total
At 1 January 2022	**0.1**	**31.5**	**1.3**	**140.8**	**113.2**	**286.9**
Dividend distribution	-	-	-	-33.1	-113.2	-146.3
Release: Luxembourg Net Wealth Tax	-	-	-0.3	0.3	-	-
Add: result 2022	-	-	-	-	88.0	88.0
At 31 December 2022	**0.1**	**31.5**	**1.0**	**108.0**	**88.0**	**228.6**

EUR x million	Issued capital	Share premium	Other reserves	Retained earnings	Result financial Period	Total
At 1 January 2021	**0.1**	**31.5**	**-**	**129.2**	**74.4**	**235.2**
Dividend distribution	-	-	-	-	-74.4	-74.4
Robeco Luxembourg legal merger	-	-	1.7	11.2	-	12.9
Release: Luxembourg Net Wealth Tax	-	-	-0.4	0.4	-	-
Add: result 2021	-	-	-	-	113.2	113.2
At 31 December 2021	**0.1**	**31.5**	**1.3**	**140.8**	**113.2**	**286.9**

The Company reports to the DNB on a quarterly basis the FINREP, MESRAP and IF reports as required by CRD IV rules. The most recent reporting was done as of 31 December 2022. All capital and liquidity requirements were met.

The Company merged with Robeco Luxembourg S.A. on 1 January 2021 adding an amount of EUR 12.9 million to the equity of the Company.
In accordance with paragraph 8a of the Luxembourg Net Wealth Tax (NWT) law, a NWT reserve (as part of the other reserves) of EUR 1.7 million has been recognized as per 1 January 2021 to continue application of the reduction of NWT post legal merger. The reserve will be released within five years period and amounts to EUR 1.0 million end of 2022.

16 Provisions

Movements in provisions were as follows:

EUR x million	Possible loss of income	Restructuring	Other	Total
Cost at 1 January 2022	**1.6**	**0.4**	**10.3**	**12.3**
Additions	-	-	0.6	0.6
Usage	-	-0.3	-10.4	-10.7
Release	-	-0.1	-0.5	-0.6
Net carrying amount at 31 December 2022	**1.6**	**0.0**	**0.0**	**1.6**

In 2016 the Company has recorded a provision of EUR 1.6 million for an estimated loss of income. It is expected that the period of uncertainty is between one to three years as of 31 December 2022. As per 31 December 2022 no amounts were used.

The provision for restructuring pertains to a plan to outsource back office operations to a third party. This plan, which was formalized in 2017 was completed in the second half of 2020. Final payments of EUR 0.3 million took place in 2022 and EUR 0.1 million was released.

In April 2022, Robeco fully completed the improvement of the processes in relation to the Dutch Money Laundering and Terrorist Financing (Prevention) Act and Sanctions Act in Robeco Retail, Robeco's on-line execution-only platform, as requested by the AFM in 2020, when the AFM issued an order under penalty to Robeco (the "Order"). The AFM has informed us that they have accepted all the improvements and that Robeco has not forfeited any of the penalties under the Order. In connection to this matter, the AFM has imposed an administrative fine of EUR 2 million on 31 March 2022, which was included in the other provisions end of 2021 and paid in 2022.
The Company has added EUR 0.6 million to this provision in 2022 related to exiting the Roparco savings product in October 2022.
Both projects are finished. Total usage in 2022 relating to the other provision was EUR 10.4 million and EUR 0.5 million was released.

17 Employee benefits

Employee benefits consists of deferred incentives of personnel employed by the Company. We refer to note 18 for the current portion of the Employee benefits.

18 Distribution and subadvisory accruals, employee benefits and other liabilities

All outstanding liabilities are expected to be paid within 12 months. The fair value of the current liabilities approximates the book value due to their short-term character.
Other liabilities include creditors and other liabilities.

19 Liabilities to group companies

This item relates to current accounts with Robeco Group companies, which are settled periodically.

20 Contingent assets and liabilities

The amount of accrued carried interest, which is not yet distributed by the Investee Funds, is to be marked as a contingent asset of EUR 3.4 million as per 31 December 2022 (as per 31 December 2021: EUR 4.6 million). The final amount of the carried interest to be distributed by the Investee Funds may be significantly different from the amount earlier marked as contingent assets.

On 21 April 2022, the Belgian High Court ruled that Belgium is not entitled to levy Belgian subscription tax for the Dutch Robeco investment funds registered and distributed in Belgium. The ruling of the Belgium High Court applies to the assessment years 2008-2014. For the tax assessment years after 2014 refunds have been filed to reclaim back the Belgian annual subscription tax of EUR 0.6 million for Dutch Robeco investment funds. It remains uncertain whether these will be granted to the Company. Given the uncertain outcome of the legal proceedings this reclaim is marked as a contingent asset.

Stichting Robeco Funds ("SRF") is the holding of cash for the purpose of facilitating the purchase and sale of participation rights in investment institutions managed by a manager belonging to the Robeco Group. SRF acts as facilitator for the cash flows of these investment institutions for the account and risk of such investment institutions, exclusively in the interests of the participants or shareholders. The Company has issued a guarantee in which the Company commits itself to cover the credit default risk relating to the collection accounts of Stichting Robeco Funds.

In consideration of the Monetary Authority of Singapore granting a license to Robeco Singapore Private Limited, the Company has confirmed that it accepts full responsibility for all operations of Robeco Singapore and ensures that Robeco Singapore maintains sound liquidity and a sound financial position at all times.

The Company has commitments regarding IT-related contracts of EUR 0.1 million (2021: EUR 0.1 million). These commitments have remaining terms of between 1 and 2 years.

For a few clients where a sister company acts as formal manager, the Company covers for certain liabilities resulting from that formal manager role.

The Company has irrevocable credit facilities related to guarantees of EUR 0.1 million (2021: EUR 0.1 million).

The Company is part of the Dutch fiscal unity of ORIX Corporation Europe N.V. for corporate income tax purposes and is jointly and severally responsible for the resulting tax liability, as are the other companies that are part of the tax group.

Financial risk management objectives and policies

The Company is exposed to several financial risk types which are detailed in this paragraph. For these risk types policies and, where relevant, limits are in place which are subject to approval by the Enterprise Risk Management Committee (ERMC) and endorsed by the Audit & Risk Committee. The financial risk types are discussed below. The Company is not directly exposed to financial risks in client portfolios.

Credit risk

Credit risk is defined as the risk that counterparties cannot fulfil their contractual obligations. A policy is in place prescribing counterparty exposure limits and the careful selection and monitoring of financial counterparties.
As the Company manages assets on behalf of clients and funds and management fees are typically charged to and paid from the underlying funds managed by the Company, there is a very low credit risk of default on management fees and other third parties' revenues and related trade receivables, who do not have a history of non-performance.
For banks, money market funds and financial institutions, only independently rated parties with a minimum rating of 'A-' are accepted. In case eligible counterparties are not available in certain countries ERMC approves these counterparties on an individual basis, with a maximum exposure threshold.
The Company also has loans and other current account positions with related parties, group companies and the direct parent company.
Overall the Company considers that the exposure to credit risk is limited given the fact that it did not write off any significant receivables over the past years.

Liquidity risk

Liquidity risk is defined as the risk to the Company's earnings or capital arising from its inability to meet its financial obligations as they fall due, without incurring significant costs or losses. Liquidity risk arises from the general funding of the Company's activities and in the management of its assets and liabilities. The Company maintains sufficient liquidity to fund its day-to-day operations and to comply with regulatory liquidity and capital requirements. Hence, liquidity is managed in a manner that addresses known as well as unanticipated cash funding needs. The liquidity of the Company is monitored by the Finance function on a regular basis, so that cash positions can be optimized when necessary. Cash and cash equivalents balances are reported to ERMC on a regular basis.

Market risk
Market risk is defined as the potential change in the market value of its financial position due to adverse movements in financial market variables. The Company is exposed to the impact of fluctuations in the prevailing foreign currency rates on its financial positions and cash flows. The Company's exposure relates primarily to the revenue to be received and expenses to be paid denominated in foreign currency. At group, limits are set and monitored on the level of exposure by currency and in total. The company does not hedge for foreign currency exposure risks.
Next to currency risk the Company is exposed to interest rate risk on its cash position and on the current account loan granted to Robeco Holding B.V. The interests received on the bank accounts and the current account loans are based on market rates. The Company does not conclude on derivatives for the incurred interest rate risk. Overall the Company considers that the exposure to interest risk is limited given the fact that it relates to receivable positions only.

The balance sheet of the Company consists largely of cash together with current assets and current liabilities. Investments are not carried out for its own account and therefore the direct exposure to market risk is limited. The Company is exposed to indirect market risk caused by fluctuations in the wider financial markets that will affect the valuation of the assets that it manages. The Company is therefore subject to indirect market risk through market impacts on its gross margin. It generally considers it uncontrollable, as it is inherent in the business of asset management. In practice, the exposure to this risk is diversified, to a degree, by having exposure to multiple classes of instruments.

21 Related parties
ORIX Corporation and entities under common control of ORIX Corporation Europe N.V. form a related party. During 2022, similar to previous year, there were no operational transactions with ORIX Corporation, outside Robeco Group.
Robeco Group companies are identified as related parties. All transactions and balances with Robeco Group companies are included in the notes to the income statement and the notes to the balance sheet. Transactions are performed at arms' length.
Stichting Robeco Pensioenfonds also is a related party. The client relationship consists of mandate investments and/or direct investments in retail and institutional funds. The fees for these activities are in line with market rates.
In addition to the mentioned companies, the statutory directors can be identified as related parties. The remuneration of the statutory and supervisory directors is included in note 23 and 24.
Besides the services of other market parties, the Company also uses the services of several related parties to treasury and custody. Transactions are executed at market rates.
The Company has granted a current account loan to its parent, Robeco Holding B.V.
The Company has not created a provision for doubtful debts relating to amounts owed by related parties (2021: EUR nil), because the risks involved are not considered to be material.

22 Remuneration of statutory directors
The members of the Management Board are not entitled to salaries and benefits from the Company, as the members are employed by Robeco Nederland B.V., which is indirect part of ORIX Corporation Europe N.V. The applicable remuneration recharged by Robeco Nederland B.V. and recognized as an expense during the reporting period, was as follows:

(EUR x thousand)	**2022**	**2021**
Base salary [1]	1,511	1,872
Variable remuneration (short- and long-term components) [2]	2,016	6,455
Pension costs and other costs [3]	375	706
Total	**3,902**	**9,033**

1 Includes vacation allowance and are amounts before (wage) tax and social security contributions..
2 Relating to deferred variable remuneration, the projected costs are taken into account during the period of the applicable deferral schemes (four years) during employment. In case of end of service the existing deferral schemes will continue to be subject to vesting at their regular vesting dates in accordance with the Company's remuneration policy. The accrual for the long-term deferral schemes in case of end of service is recognised in full.
All amounts are before (wage) tax and social security contributions.
3 Includes severance payments, social-security costs, social allowance, mortgage suppletion, car lease and other allowances.

The emoluments, including pension costs as referred to in Section 2:383(1) of the Netherlands Civil Code, are charged in the financial year to the Company. The remuneration costs are included in Administrative expenses and relate to current and former statutory directors.

23 Remuneration of members of the Supervisory Board

The total remuneration for the members of the Supervisory Board amounted to EUR 415 thousand (2021: EUR 443 thousand). The remuneration costs are included in Administrative expenses. The decrease in costs relates to the changed VAT position of Supervisory Board members that took place in the course of 2021.

24 Subsequent events

In early February 2023, Robeco and Van Lanschot Kempen have signed an agreement for a strategic partnership including the transfer of Robeco's online distribution platform for investment services to Van Lanschot Kempen. The partnership fits in with Robeco's strategic focus on its core business in the Dutch and global wholesale and institutional markets. Robeco's clients will retain their current investments under the same conditions at Van Lanschot Kempen, Robeco's investments funds remain available to client through Van Lanschot Kempen's distribution platform Evi Van Lanschot. The agreement is expected to be closed mid-2023. Impact on assets under management and operating result is estimated to be limited.

There are no other subsequent events to be reported.

Proposed profit appropriation

The Management Board, with consent of the Supervisory Board, proposes to distribute the 2022 net result of EUR 88.0 million as dividend to the shareholder.

The Company meets the requirements according to the distribution and balance sheet test as referred to in Section 2:216 of the Netherlands Civil Code.

Rotterdam, 20 April 2023

The Management Board:

Karin van Baardwijk
Mark den Hollander
Marcel Prins

Supervisory Board:

Maarten Slendebroek
Sonja Barendregt – Roojers
Stanley Koyanagi
Mark Talbot
Radboud Vlaar

Other information

Articles of Association rules regarding profit appropriation

According to article 4.1 of the Articles of Association, the profit shown in the financial statements will be at the disposal of the General Meeting of Shareholders.

Branches

The Company has the following branches:

Branch	Country
Robeco Dubai	United Arab Emirates
Robeco Germany	Germany
Robeco Italy	Italy
Robeco Spain	Spain
Robeco United Kingdom	United Kingdom

Independent auditor’s report

To: the General Meeting and the Supervisory Board of Robeco Institutional Asset Management B.V.

Report on the audit of the accompanying financial statements

Our opinion

We have audited the financial statements 2022 of Robeco Institutional Asset Management B.V., based in Rotterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Robeco Institutional Asset Management B.V. as at 31 December 2022, and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the income statement for 2022;
2. the balance sheet as at 31 December 2022; and
3. the notes to the financial statements comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Robeco Institutional Asset Management B.V. in accordance with the ‘Wet toezicht accountantsorganisaties’ (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud and non-compliance with laws and regulations and going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Audit response to the risk of fraud and non-compliance with laws and regulations

In the chapter Risk Management of the Report of the Management Board, the Management Board describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations and the Supervisory Board reflects on this.

As part of our audit, we have gained insights into the Company and its business environment, and assessed the design and implementation of the Company’s risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company’s code of conduct, whistleblowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management, those charged with governance and other relevant functions, such as Internal Audit, Operational Risk Management, Fiscal Affairs, Legal and Compliance. As part of our audit procedures, we:

- obtained an understanding of how the Company uses information technology (IT) and the impact of IT on the financial statements, including the potential for cybersecurity incidents to have a material impact on the financial statements;
- assessed other positions held by Management Board members and/or other employees and paid special attention to procedures and governance/compliance in view of possible conflicts of interest;
- evaluated investigation reports on indications of possible fraud and non-compliance, if any;

- evaluated correspondence with supervisory authorities and regulators.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and identified the following areas as those most likely to have a material effect on the financial statements:

- the requirements by or pursuant to the Act on Financial Supervision (Wet op het financieel toezicht, Wft);
- the law on the prevention of money laundering and terrorist financing (Wwft).

We evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

We rebutted the presumed fraud risk on revenue recognition. The main activities of the Company are regular asset management activities on behalf of clients, including managing investment funds. The Company receives management fees and other fees for these services. The fees are mainly based on a percentage of Assets under Management. The Assets under Management are administered by a third party. On a monthly basis the fees are predictable as the percentages agreed with client do not change and the changes in Assets under Management are highly correlated with financial markets movements. As a result we have not considered revenue recognition as a significant risk of fraud in our audit.

Based on the above and on the auditing standards, we identified the following fraud risk that is relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

Management override of controls (a presumed risk)

Risk:
Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

- We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls that mitigate fraud and non-compliance risks, such as processes related to journal entries, post-closing adjustments and estimates.
- We performed a data analysis of high-risk journal entries related to amongst others manual post-closing entries and evaluated key estimates and judgments for bias by the Company's management, including retrospective reviews of prior years' estimates with respect to liabilities related to employee benefits. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.

We communicated our risk assessment, audit responses and results to the Management Board and the Supervisory Board.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

The Management Board has performed its going concern assessment and has not identified any going concern risks. To assess the Management Board's assessment, we have performed, inter alia, the following procedures:

- we considered whether the Management Board's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we analysed the company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on the Management Board's going concern assessment.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code regarding the management report and the other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information, including the management report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

Responsibilities of the Management Board and the Supervisory Board for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as the Management Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Management Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

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

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board;
- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that

a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern;

- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Utrecht, 20 April 2023

KPMG Accountants N.V.

G.J. Hoeve RA