Robeco Institutional Asset Management B.V.

2023

Annual report

Chamber of Commerce registration number 24123167

25 APRIL 2024

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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 Operating Officer)

Executive Committee ("ExCo")
K. (Karin) van Baardwijk
M.D. (Malick) Badjie (since 1 January 2024)
I.R.M. (Ivo) Frielink
M.C.W. (Mark) den Hollander
M.F. (Mark) van der Kroft
M. (Marcel) Prins
A. (Alexander) Preininger (until 31 December 2023)
V. (Victor) Verberk (until 22 May 2023)

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.

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KPMG Accountants N.V.
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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 2023 along with the Report of the Management Board.

Starting from the financial year 2023, the financial results of RIAM are also consolidated in the Integrated Report of Robeco Holding B.V., its 100% shareholder.

Established in Rotterdam in 1929, Robeco offers investment management and advisory services to institutional and private investors, and manages UCITS1 and alternative investment funds. As such, Robeco acts as the manager of investment funds in the Netherlands, Luxembourg and France (and as director in case the funds are Dutch legal entities). Until 1 July 2023, RIAM has operated as the direct distribution channel in the Dutch retail market for Robeco funds. On 1 July 2023, Robeco and Van Lanschot Kempen completed the sale of the online retail distribution platform, as part of a strategic partnership agreement.

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 EUR 180.6 billion as at 31 December 2023 (EUR 171.1 billion on 31 December 2022).

CORPORATE GOVERNANCE

Robeco has a two-tier board that consists of a Management Board and a Supervisory Board. In addition, an Executive Committee 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 rules of procedure of the Supervisory Board sub-committees (the Audit & Risk Committee and the Nomination & Remuneration Committee) and in the rules of procedure of the Executive Committee sub-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.

The composition of the Management Board of Robeco is as follows.

	Role	*Gender*	*Year of birth*	*Appointed on*
Karin van Baardwijk	Chair and CEO	female	1977	01/01/2022
Mark den Hollander	Chief Financial & Risk Officer	male	1969	24/06/2019
Marcel Prins	Chief Operating Officer	male	1969	01/06/2022

1 Undertaking for Collective Investment in Transferable Securities

2 Related to all Robeco entities

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

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

The Executive Committee consists of the Management Board members plus the following persons:

	Role	*Gender*	*Year of birth*	*Appointed on*
Malick Badjie	Global Head of Sales and Marketing	Male	1981	01/01/2024
Ivo Frielink	Head of Strategic and Business Development	Male	1976	01/01/2022
Mark van der Kroft	Chief Investment Officer	Male	1964	01/09/2020

There were a number of changes within the Executive Committee in 2023. On 14 March 2023 it was announced that due to personal circumstances, Alexander Preininger would be going on leave until further notice. During his leave, Malick Badjie, Head of Institutional Sales Europe, North America and Africa, took over all of Alexander Preininger's responsibilities as Global Head of Sales and Marketing on an interim basis. As of 31 December Alexander Preininger stepped down from his role and Malick Badjie was formally appointed as his successor.

On 5 June 2023 it was announced that Victor Verberk, CIO Fixed Income and Sustainability, would leave Robeco to pursue other career opportunities. Mark van der Kroft took over all Victor Verberk's responsibilities for Fixed Income and Sustainability, combining them with his existing CIO role for Equities. We would like to thank Victor Verberk and Alexander Preininger for their contribution to Robeco and wish them luck in their future careers.

Renske Paans was appointed Chief Human Resources Officer as of 1 February 2023. She is an advisor to the Executive Committee and as such attends Executive Committee meetings. However, she is not a member of the Executive Committee, has no voting rights at its meetings and she is therefore not considered a daily policymaker.[3]

Executive Committee Sub Committees
The Executive Committee has five sub-committees that assist the Executive Committee 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 Executive Committee sub-committees are laid down in their respective rules of procedure. The role of the Executive Committee sub-committees is to provide advice and prepare decisions to be taken by the Executive Committee and carry out responsibilities that are delegated to them by the Executive Committee. 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 Executive Committee performs an annual assessment to monitor its performance and the ongoing suitability of its members. In

[3] The AFM defines daily policymakers as people that are statutory directors and people who formally do not have the position of statutory director, but in practice are responsible for the daily management of the company.

performing these self-assessments, the focus will be on relevant changes in Robeco's business activities, strategies and risk profile, the distribution of duties within the Executive Committee and their effect on the required collective knowledge, skills and experience of the Executive Committee. The results of the self-assessment are discussed with the Supervisory Board. In Q4 2022, the Executive Committee started an assessment of its efficiency and dynamics with an external advisor and this assessment continued throughout 2023.

Permanent Education
Members of the Executive Committee must ensure that they maintain sufficient skills for their function through education, training and practice (Permanent Education). In 2023, the Executive Committee received collective Permanent Education training on the following topics: Digital Strategy and Data, Digital Assets, Sustainability & Sustainable Investing (separate sessions on climate, biodiversity and human rights) and Anti Money Laundering & Sanctions.

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 general affairs of Robeco and its business as executed by the Management Board and the Executive Committee. The Supervisory Board advises both the Management Board and the Executive Committee, taking into account the dynamics and the relationship between the Executive Committee 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. The appointment of Supervisory Board members also needs prior approval from the AFM.
The composition of the Supervisory Board is as follows:

	Role	*Gender*	*Year of birth*	*Appointed until*
Maarten Slendebroek	Chair	male	1961	12/08/2024
Sonja Barendregt-Roojers	Vice-Chair	female	1957	01/04/2026
Stan Koyanagi	Member	male	1960	12/08/2024
Mark Talbot	Member	male	1968	17/09/2027 (reappointed on 17/09/2023)
Radboud Vlaar	Member	male	1977	01/05/2025 (reappointed on 19/04/2023)

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.

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 Robeco's Risk Management, Compliance, Internal Audit, Legal Affairs, Business Control & Finance and the external auditor.

The Nomination & Remuneration Committee (N&RC) supervises Robeco's remuneration policy and its implementation, as well as the succession planning of its Management Board, Executive Committee and Supervisory Board. Under Robeco's Remuneration Policy and the Articles of Association, the Nomination & Remuneration Committee also 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 Executive Committee 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 total fixed pay and the KPI setting of Executive Committee members and Heads of Control functions.

Self-Assessment
In accordance with the Supervisory Board Rules of Procedure, the Supervisory Board performs an annual self-assessment to monitor the ongoing suitability of its members. Additionally, every three years the Supervisory Board has an external assessment performed (such an assessment was performed in 2023). The results of each assessment are discussed by the N&RC and Supervisory Board and, where relevant, follow-up actions are discussed with and monitored by the CEO and Executive Committee.

Meetings
The Supervisory Board meets at least four times a year, normally once every quarter, and whenever the Chair calls a meeting or one or more of the Supervisory Directors request one. The Supervisory Board and the Executive Committee maintain regular contact, 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 Executive Committee responsible for specific topics or matters concerned. In 2023, all Executive Committee members were invited to attend the regular meetings of the Supervisory Board.

Permanent Education
Members of the Supervisory Board must ensure that they maintain sufficient skills to carry out their function through education, training and practice (Permanent Education). In 2023, the Supervisory Board received collective Permanent Education training on the following topics: general developments in the asset management industry, Sustainable Investing and Anti-Money Laundering & Sanctions.

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 policymaker" in accordance with the Dutch Financial Supervision Act (*Wet financieel toezicht, or Wft*).
The assessment of the collective suitability of the Executive Committee and Supervisory Board, it should be analyzed to what extent the candidate fits into the collective and whether diversity is sufficiently taken into account.

The assessment of the individual suitability of the candidate considers questions as:
- 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?

Gender diversity

Robeco strives to achieve diversity in terms of gender, race, ethnicity, religion, disability, family responsibility, sexual orientation, social origin, age or experience on its Supervisory Board, Management Board and Executive Committee.

In 2021, the Dutch Senate passed legislation aimed at achieving more balanced gender ratios on company boards, where a target figure and transparency regulation comes into force to large Dutch companies, including Robeco in 2023. The target figure requirement stipulates that all large companies are obliged to draw up appropriate and ambitious target figures regarding gender diversity in the (sub-)top of their companies.

With this in mind, this year Robeco has adopted the following gender diversity targets by 2025: Management Board 33%, Supervisory Board 33% and sub-top[4] 22%. As at 31 December 2023, we had already achieved this gender target for the Management Board (one of the three members is female and two are male), but not for the Supervisory Board (one of the five members is female). Robeco will take these gender targets into account when filling future vacancies.

The Executive Committee does not have a separate gender target, as it is included in the definition of sub-top. The gender diversity of the Executive Committee is 29% female (including Renske Paans as advisor to the Executive Committee).

Conflicts of Interest

Generally, the Executive Committee is responsible for promoting and effecting Robeco's corporate governance structure, its reporting lines, the allocation and segregation of duties and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interests of our clients. The Supervisory Board is responsible for overseeing the implementation and maintenance of a code of conduct and conflict of interest policy, and effective policies to identify, manage and mitigate actual and potential conflicts of interests.

If a member of the Management Board, Executive Committee or Supervisory Board has a conflict of interest, that member does not participate in any discussions or decision-making in relation to the matter in which they have a conflict of interest. If as a result of such conflicts no resolution of respectively the Executive Committee or the Management Board can be adopted, the resolution is adopted by the Supervisory Board. Each member of the Management Board, Executive Committee or Supervisory Board must immediately report any actual or potential conflict of interests.

As a result of the overlap between the members of the Management Boards of Robeco and Robeco Holding B.V., members of Robeco Holding's Management Board members may be subject to conflicts of interest when Robeco Holding B.V. exercises its shareholder rights in relation to Robeco. These shareholder rights are:

- the appointment, suspension or dismissal of members of Robeco's Management Board
- granting discharge to members of Robeco's Management Board;
- establishing their remuneration and remuneration policy
- adopting any resolutions of the Supervisory Board of Robeco in respect of which all members have a conflict of interest as referred to in Section 2:250, Subsection 5, of the Dutch Civil Code.

Decision-making about the above matters, in which Robeco Holding B.V. Management Board members have a direct conflict of interest as they are also acting on behalf of Robeco Holding B.V. as Robeco's sole shareholder, are escalated to the general meeting of Robeco Holding B.V. (in other words, to ORIX Corporation Europe N.V.).

In addition, certain matters have been identified in the articles of association of Robeco for which the exercise by Robeco Holding B.V. of certain shareholder rights with respect to Robeco would not be appropriate from a good governance perspective (Good Governance Matters). An example of such matters is the decision to appoint or dismiss members of Robeco's Supervisory Board. This decision may not represent personal conflict of interests

[4] The sub-top is defined as all staff in job levels 9 and 10 and as all members of the Executive Committee not being Management Board Members.

for all Robeco Holding B.V.'s Management Board members, but it is undesirable from a good corporate governance perspective that Robeco Holding B.V's Management Board members are involved in the decision to appoint and dismiss their own supervisors (at the level of Robeco). The same applies to other matters including the appointment of Robeco's statutory auditor, the adoption of its annual accounts and the distribution of dividends and interim dividends by Robeco' and certain other matters. Decision-making on Good Governance Matters by Robeco's Management Board acting as sole shareholder of Robeco is also escalated to ORIX Corporation Europe N.V.

Ancillary functions
The members of the Executive Committee have the following ancillary functions. Karin van Baardwijk: member of the board at DUFAS, member of the Advisory Board of Leaders in Finance, member of the board of Stichting Capital Amsterdam and member of the Oversight Board of Kunsthal Rotterdam; 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 Client Advisory Boad of Euronext Netherlands; Malick Badjie: regional board member of Room to Read Middle East; Ivo Frielink and Mark den Hollander have no ancillary functions.

The members of the Supervisory Board have the following ancillary functions. Maarten Slendebroek: non-executive board member at Mintus Trading until 30 June 2024), trustee of the Orchestra of the Age of Enlightenment in London, chairman of the board at Brooks Macdonald, member of the advisory board at Mesmerise, and non-executive director Law Debenture; Sonja Barendregt: member of the supervisory board at ASR Nederland N.V.; Stanley Koyanagi: member of the board at ORIX Corporation, ORIX Corporation Europe and Boston Partners Global Investors, Inc.; Mark Talbot: non-executive member of the board at St Andrews University Hong Kong and at Harbor Capital Advisors Inc.; Radboud Vlaar: non-executive board member at Safened Holding, Fourthline B.V., Oh Goodlord Ltd, Nomu Pay Ltd, HWS Solutions B.V., Plutus B.V., and 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. (OCE), the domestic parent company of Robeco Holding B.V.

STRATEGY
Our strategy has been built on our key strengths and considers the interests of all our stakeholders. We have both financial and strategic ambitions for how Robeco can grow sustainably and maximize our value added value, ensuring resilience in the face of future challenges.

We acknowledge key long-term trends such as the importance of scale, increased regulation, technological advancements and the maturation of sustainable investing. Meanwhile, scarcity of talent makes it more difficult to attract and retain skilled individuals.

Focus areas

Clients and Distribution: striving for client-centricity, we are expanding into existing and new markets. This involves strengthening existing capabilities and venturing into new areas, such as developing an Exchange Traded Funds (ETF) business to provide broader access to Robeco's Intellectual Property.

Investments and Products: our goal is to deliver superior, research-driven, investment strategies and innovative products that cater to client needs, building on our key strengths: Sustainable Investing, Quantitative Investing, Thematic Investing, Credits and Emerging Markets.

Organization and Operations: efficiency and resilience are paramount. We are enhancing our operational robustness and scalability, and are continually seeking ways to increase revenue while lowering costs.

Colleagues and Culture: focusing on being an employer of choice, we emphasize diversity, equity, inclusion, leadership development, and a sustainability mindset. We are guided by our shared values: being client-centric, innovative, sustainable and connecting.

Risks and opportunities

Successful execution of our strategy depends on both internal factors such as financial, operational, and compliance risks, and external factors such as market dynamics, client expectations and regulation. We have a well-diversified book of business and global coverage. We are well positioned not only to face market challenges, but also to seize opportunities as they arise. We are optimizing our global sales organization to further increase our sales effectiveness in the long run.

Our commitment to innovation extends to the realm of Next-Gen Quant, where we harness advancing technologies to develop novel investment insights and strategies. This transformative journey began with a significant overhaul of our quant infrastructure platform, enabling us to test and assimilate alternative data sources at an unprecedented pace.

Looking ahead, we are developing a suite of next-gen investment strategies, distinct from our existing quant offerings, emphasizing diversification with significant weight given to novel elements. This represents a quantum leap in our approach, offering investors unique and diversified quant products.

Demand for sustainability-oriented strategies is expected to continue to grow in the years to come. Robeco is recognized as leader in sustainable investing. Our commitment was reaffirmed in 2023 when we received the highest possible score from the Principles for Responsible Investment (PRI). Rooted in an international coalition of institutional investors, PRI underscores the increasing relevance of environmental, social and corporate governance issues in investment practices. Robeco received Morningstar awards for "Best Asset Manager – Sustainable Investing" in Luxembourg, Belgium, Italy, the UK, Netherlands and Taiwan. We were also ranked 1st and were the only asset manager with an AA ranking in the Share Action Global Responsible Investment Benchmark "2023 Point of No Returns" report.

We have a strong proposition integrating sustainability into our investment products. This starts with our approach to ESG integration and extends to the use of our SDG framework. The SDG framework enables us to align invested capital with the sustainability interests of the capital owner. To combat climate change, we have a clear roadmap towards net zero emissions for our assets under management. For other important topics such as biodiversity and human rights we are in the process of developing investment frameworks.

With the integration of sustainability in our product offering and our continued recognition as a leader in sustainable investing, we are well positioned to capitalize on the growing demand for sustainability oriented investment 0strategies, especially within the more nascent sustainable investing markets.

Our continued commercial success relies on our ability to successfully allocate our available resources (human, financial and intellectual capital) in the short-term. We need to balance the allocation between activities that ensure the continued integrity of all our processes and smart investment in developments that make us fit for the future. An example of the latter is our continued investment in IT systems for ESG data. Following regulations such as the Sustainable Finance Disclosure Regulation, there are many new data points becoming available, but not all are of high quality yet. Ensuring access to the necessary high-quality data is key for sustained commercial success.

Looking ahead, our focus will swift to medium and long-term challenges, notably the risk associated with improving our competitive position amid market consolidation and the imperative to scale up. Our 2021-2025 strategy, sets ambitious yet achievable targets. Leveraging our key strengths and research-driven approach, we aim to expand the breadth of our offering, fortifying our competitive advantage.

SUSTAINABLE INVESTING

Our sustainable investing strategy

Sustainability is a key element in our corporate strategy. We expect our employees to act sustainably and sustainable investing is one of our key strengths. To support our strategic ambitions in this area, in 2021 we launched our Sustainable Investing strategy 2021-2025. Our ambition is to be the first point of contact for clients when they start their sustainable investing journey. As part of our strategy we provide sustainable investing solutions for all clients We have designed some of these specifically to support positive impact in the real world.

Our Sustainable Investing ("SI") strategy is underpinned by Robeco's beliefs: every decision we take is research-driven, we take a 'pioneering but cautious' approach, and we believe that ESG integration leads to better-informed investment decisions and better risk-adjusted returns. It involves everyone who works for Robeco. The strategy sets out our ambitions, which are backed up by action plans. We have set forward-looking and impact-oriented key performance indicators (KPIs) to measure the progress of both our business and each member of staff, and these KPIs form an important part of our performance management cycle.

Our Sustainable Investing Center of Expertise is a focal point within the company for all our sustainable investing activities. It delivers sustainable investing expertise and insights to our investment teams, clients and the broader market. The center has four focus areas: (i) active ownership, (ii) thought leadership, (iii) sustainable investing research and (iv)sustainable investing client portfolio management.

Robeco's dedicated sustainable investing capacity has grown significantly in recent years. As at the end of 2023, there were 52 members in our Sustainable Investing Center of Expertise. Members of the center work closely with the 200+ members of our investment teams who are responsible for integrating sustainability in their investment strategies.

In 2023, we further expanded our SI Open Access initiative, making our Country Sustainability Rankings available via the platform. We also completed the development of our new Country SDG ranking framework and an enhanced suite of new Climate Analytics. We took steps to further develop our climate engagement program with the aim of helping fuel the transition in the broader economy.

In 2023 we continued to execute our net zero roadmap, making further progress towards our short and medium-term targets. We continued our involvement in the Climate Action 100+ group, and Robeco was also a founding signatory of the new collaborative engagement program Nature Action 100.

Strategies with a range of approaches to sustainability

Providing our clients with a full range of investment solutions that cater to their sustainable investing needs is a key pillar of Robeco's Sustainable Investing strategy. Doing so supports our company's mission to help our clients achieve their financial and sustainability goals by providing superior investment returns and solutions.

We integrate sustainability to different degrees in our range of investment products. We integrate ESG considerations in almost all of our investment strategies. The prospectus of our investment funds contains details of the sustainability profile.

Our goal for 2023 was to align our internal classification with the SFDR classification. However, we encountered some complex operational issues and challenges in the area of naming conventions that we need to resolve before this alignment can take place. As a consequence, in this report we refer to our existing categories: Sustainability Inside, Sustainability Focused and Towards Impact.

Growth in existing sustainable investment strategies and solutions
Our assets under management in ESG-integrated strategies grew by 6.4% in 2023, primarily due to market movements. As at the end of 2023, 98% of our assets integrated ESG considerations in their investment processes (the remainder invest almost entirely in derivatives, of which it is too complex to integrate ESG). As such, changes in our assets under management in ESG-integrated strategies primarily reflect movements in Robeco's total assets under management as it is almost impossible to increase the proportion of our total assets that they account for.

Assets under management in our Sustainability Inside strategies increased from EUR 129.6 billion at the end of 2022 to EUR 136.1 billion at the end of 2023. The assets under management in our Sustainability Focused and Towards Impact ranges of products increased from EUR 36.8 billion at the end of 2022 to EUR 40.9 billion at the end of 2023, with market movements once again the main reason for this increase.

Stewardship
We are convinced that companies that adopt sustainable business practices have a competitive advantage and are more successful in the long term. Actively exercising our stewardship responsibilities is an integral part of Robeco's approach to s investing.

At the core of our stewardship activities is our Active Ownership team, which focuses on engagement and voting. Active ownership involves using our influence and rights as an investor where needed. We also help our clients formulate and execute their own approaches to stewardship in compliance with relevant regulations. The processes and guidelines that we follow are outlined in our Stewardship Approach and Guidelines, which we review and update every year to ensure it remains aligned with best practices.

At 31 December 2023, Robeco's assets under engagement amounted to EUR 143 billion. During 2023,
319 engagement cases were conducted, with 292 companies on 25 engagement themes. Of these cases, 65% was closed successfully.
The assets under voting were EUR 76 billion. Robeco voted at 7,042 shareholder meetings in 73 markets on 72,432 proposals. In 59% of the meetings at least one vote against management was cast.

The figures we show above are based on Robeco's equity and credit portfolios for which we conduct engagements and voting. During 2023, Robeco also votes and engages for clients whose portfolios are run by other asset managers; we call these 'overlay clients'. In 2023, we had 11 overlay clients, representing roughly EUR 300 billion in assets.

Corporate sustainability commitments
Robeco appreciates values that promote harmony within society and aims to conduct its business in a way that supports environmental, social and governance objectives and expectations.

Robeco has committed to adhere to several independent and broadly accepted corporate sustainability principles and best practices[5], in what we call our corporate sustainability commitments. We embed these principles in our

[5] The most important codes are the International Corporate Governance Network (ICGN) statement on Global Governance Principles, the United Nations Global Compact, the United Nations Sustainable Development Goals, the United Nations

investment processes, the way we conduct our business (including a commitment to respect human rights in procurement), and in our policy on sustainability integration[6]. Our commitments stipulate that we must conduct due diligence and apply the precautionary principle[7] to prevent and mitigate potential negative impacts of climate change through our net zero roadmap.

In 2023, Robeco implemented a Complaints and Grievance Handling Policy that sets out a process for handling complaints and grievances received from clients or other external stakeholders. Our grievance mechanism facilitates the submission of external statements of dissatisfaction, being allegations, issues or problems, whether perceived or actual, related to Robeco's activities. All grievances are treated confidentially, and those making the complaint can remain anonymous through representation by a third party.

In case of a grievance related to the integration of sustainability into our investments, our Complaint & Grievance Handling Officer collaborates closely with the SI Centre of Expertise. Together they investigate and assess grievances completely, diligently and impartially, and decide on any follow up actions that may be needed. We have set up a remediation of adverse impact procedure based on the guidance of the United Nations Guiding Principles on Business and Human Rights and other independent codes of conduct. Depending on the adverse impact level, Robeco implements necessary resolutions. We apply our stewardship and exclusion policies when seeking to mitigate any negative impacts of the companies we invest in through engagement, or to end any contribution to negative impacts by exclusion or divestment.

Critical concerns identified through grievance mechanisms or other channels are reported to the Enterprise Risk Management Committee in quarterly reports submitted by the Risk Management and Compliance functions and, where deemed appropriate, on an ad-hoc basis to Controversial Behavior Committee for decision-making on investment eligibility and to the SISC and/or the ExCo for information purposes. The ExCo ensures that Robeco has appropriate policies and procedures in place to handle complaints and grievances in compliance with relevant standards and legislation.

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

Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and Responsible Business Conduct for Institutional Investors.

[6] The policy is updated annually, approved by the SISC and published on Robeco's website.

[7] As set out in Principle 15 of the UN Rio Declaration on the Environment and Development.

of ESG-integrated[8] strategies, products and solutions, thus leveraging on the combined sustainability expertise within Robeco for the benefit of investors.

FINANCIAL RESULTS

	2023	2022	2021	2020
Assets under Management - AuM (EUR x billion)[9]				
Beginning of the year	171.1	200.7	173.5	171.7
Inflows / (outflows)	(9.3)	(3.1)	1.6	3.8
Market appreciation / (depreciation)	18.8	(26.5)	25.6	(2.0)
End of the year	**180.6**	**171.1**	**200.7**	**173.5**
Financial results (EUR x million)				
Operating income	**450.2**	**473.3**	**510.5**	**375.6**
Other income: sale of business	18.4	-	-	-
Operating expenses	**-372.8**	**-355.8**	**-356.8**	**-275.9**
Operating result	**95.8**	**117.5**	**153.7**	**99.7**
Finance income and -expense	4.6	0.1	-0.6	-0.2
Taxes	-28.8	-29.6	-39.9	-25.1
Net result for the year	**71.6**	**88.0**	**113.2**	**74.4**

Our assets under management (AuM)[8] grew from EUR 171.1 billion at the start of year to EUR 180.6 billion (at the end of December 2023). Market growth added EUR 18.8 billion to our asset base, we also faced EUR 9.3 billion of net outflows, predominantly under our wholesale channel. The wholesale market faced a challenging market sentiment in 2023.

Robeco's operating income in 2023 was EUR 450.2 million, a decrease of EUR 23.1 million (5%) compared with 2022, mainly because of lower fees due to our lower average assets under management in 2023, compared with 2022. Fees decreased by 8.5 million, following the sale of Robeco's online retail distribution platform in 2023.

The sale of business relates to the transfer of Robeco's online retail distribution platform to Van Lanschot Kempen in 2023 with a net result of EUR 18.4 million
Our operating expenses increased by EUR 17.0 million (5%) to EUR 372.8 million in 2023, mainly due to higher salary and IT related costs. We experienced higher one-off costs in 2023 as we accelerated the transformation of our sales and marketing organization.

Robeco's management considers the company's financial position to be sound, and all relevant capital and liquidity requirements to which Robeco's legal entities are subject are being met.

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 2023. All capital and liquidity requirements were met on the reporting dates and are met continuously.

8 ESG: Environmental, Social and Governance
9 Related to all Robeco entities

FINANCIAL MARKETS ENVIRONMENT AND OUTLOOK

Financial markets environment

In 2023, the global economy enjoyed a late cycle expansion in economic activity against a backdrop of a maturing monetary policy tightening cycle. Successfully battling rampant inflation, policymakers in the G7 have raised policy rates by 425 basis points (calculated as a weighted average) since March 2022. Central banks settled in on a rates plateau by the end of 2023 as the trade-off between containing inflation and maintaining full employment has become more symmetric. A key feature of the 2023 economic landscape has been that central banks have so far managed to contain inflation without incurring costs in terms of rising unemployment, *de facto* delivering what has since become known as "immaculate disinflation". From its 10.6% peak in October 2022, Eurozone consumer price inflation has dropped to 2.9% by December 2023. While the Euro area entered a technical recession, the unemployment rate in December 2023 stood at 6.4%, an all-time low. The year 2023 showcased US exceptionalism, with the US economy defying prior consensus expectations about an imminent 2023 recession. Leading macro-indicators, like the inverted US sovereign bond yield curve and producer confidence surveys in the manufacturing sector, had been flagging a looming slowdown phase of the business cycle before the start of 2023. Yet, US real activity expanded at an above trend growth rate of 2.5% instead. Household consumption growth was the main contributor, with spending power underpinned by still elevated post-pandemic savings, a continuing tight US labor market delivering real wage growth and a lingering positive fiscal impulse. Japan saw its real activity expand at a healthy 1.5% pace in 2023 amidst signs of sustained reflation and the corporate governance reform agenda initiated under former premier Abe starting to pay off.

China's economic growth performance in 2023 exhibited persistent housing market weakness inhibiting domestic consumption growth. While achieving its official 2023 growth target of 5% as it increasingly aims at exporting high value-added manufacturing items like EV's and solar panels, China is experiencing a different macro cycle compared to G7 members. The country is battling deflation, stemming from excess supply issues as well as ongoing deleveraging efforts. Consumer price inflation fell to -0.5% (year-over-year) in November 2023.

Outlook for the equity markets

In 2023, the MSCI World rose 19.6% in Euros. Even if this is almost thrice the long run average annual equity calendar return investors have been enjoying over the past century, by the end of December 2023, the index only traded at par with the index level at the end of 2021. Though the US equity market breadth increased in the fourth quarter of 2023, the equity market index performance was mainly driven by leading US technology companies, alias the "Magnificent 7". The promise of generative AI created a powerful cashflow positive narrative that boosted multiple expansion of technology heavyweights, like Meta and Microsoft. In addition, superior earnings delivery also helped large technology companies in the S&P 500 to be up more than 50% by the end of 2023, whereas the broad S&P 500 index generated a 24% return.

Looking ahead, 2024 could see a much more challenging environment for equity returns as the prevailing Goldilocks environment of negative inflation surprises joined by positive macro-economic surprises is likely to leave the stage. The last mile for central banks will prove to be the toughest as further disinflation efforts by central banks to get inflation back to 2% will likely come at a rising cost to employment, denting consumer sentiment. Therefore, current consensus double-digit earnings growth forecasts for developed markets likely are expected to be too optimistic. Furthermore, market views for 2024 seem to be internally inconsistent as the widely held belief in a soft landing of the US economy is unlikely to co-exist with deep rate cuts as reflected in the Fed funds futures curve. Something has to give here in the course of 2024, likely creating equity market volatility. A busy election year, with 40 countries voting in 2024, could also spur geopolitical turbulence. A major upside risk for the stock market in 2024 is an increased cross-sectoral adoption rate of AI, creating a benign disinflationary supply side shock that could sustain and broaden out equity market performance beyond technology stocks.

Outlook for the bond markets

The Bloomberg Global Aggregate Bond index (EUR-hedged) delivered 4.7% in 2023. Downward momentum in inflation gained traction in many developed and emerging economies in 2023, led by goods and energy disinflation. As a result of the shifting macro narratives and the fact that the recession in the end did not occur in 2023, interest rates retained their volatile behavior but fell more materially towards the end of the year. In an environment where tightening cycles seem to have concluded, and where there seems to be room for many central banks to cut rates by mid-next year, there could be a reason for interest rates to continue to grind lower in 2024. The outlook for government bonds is therefore positive for 2024 with positive total returns expected. Many economies will likely feel the drag of past rate hikes in 2024 feeding through and having a detrimental effect on private sector activity. There is already broad-based evidence in the corporate sector of many countries that higher policy rates are impacting the broader economy via corporate defaults and restructurings in private debt markets which is expected to spill over to public markets, like high yield. Stronger economic growth, a resilient jobs market, and relatively healthy fundamentals have supported market optimism for a soft landing scenario and tight credit spreads. However, credit spreads are pricing in a lot of good news, and tighter financial conditions, and higher-for-longer interest rates are significant risks and potential sources of volatility in credit spreads. This warrants a cautious stance on corporate bonds for 2024.

INVESTMENT PERFORMANCE

Of all the portfolios managed or sub-advised by Robeco, 68%[10] outperformed their benchmark over the three years to the end of 2023. The corresponding figure for the three years to the end of 2022 was 69%. 57% outperformed in 2023 (2022: 58%). For more detailed information, please refer to our funds' annual reports.
Equity markets from developed and most emerging economies rose in value in 2023. 55% of our equity portfolios outperformed their benchmark over the year (2022: 55%), while 59% outperformed over the three years to the end of 2023 (62% in 2022).

Fixed income markets also rose in value over the year. 62% of our fixed-income funds outperformed their benchmark in 2023 (2022: 63%). 84% of the portfolios outperformed over the three years to the end of 2023 (2022: 83%).

The table below shows the returns of some of our funds over 2023. We show their returns in absolute terms and their outperformance (+) or underperformance (-) versus their benchmark. We also show the Sharpe ratios[11] of our conservative equity funds, which invest in low-volatility stocks, and their benchmarks as we expect a lower downside risk for these funds.

Performance of select Robeco funds in 2023

	Fund	*Performance*	*Outperformance/underperformance*
Equities	Robeco Asia-Pacific Equities (EUR)	10.4%	+2.7%
	Robeco BP Global Premium Equities (EUR)	11.7%	- 7.9%
	Robeco BP US Large Cap (USD)	14.1%	+2.6%
	Robeco BP US Premium Equities (USD)	13.0%	+1.3%
	Robeco BP US Select Opportunities (USD)	17.2%	+4.5%
	Robeco Chinese A-share Equities (USD)	-25.5%	-12.4%
	Robeco Emerging Markets Equities (EUR)	12.7%	+6.6%
	Robeco Emerging Stars Equities (EUR)	15.8%	+9.7%
	Robeco FinTech Equities (EUR)	26.1%	+8.0%
	Robeco Global Consumer Trends Equities (EUR)	29.7%	+11.7%
	Robeco New World Financial Equities (EUR)	14.8%	+3.2%
	Robeco QI Emerging Conservative Equities (EUR)	15.3%	+9.2% (Sharpe ratio 1.7 vs. 0.2)
	Robeco QI Emerging Markets Active Equities (EUR)	17.8%	+11.7%

[10] All returns are gross of fees.
[11] The Sharpe ratio is a measure of risk-adjusted return. 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.

	Fund	Performance	Outperformance/underperformance
	Robeco QI European Conservative Equities (EUR)	9.8%	-6.0% (Sharpe ratio 0.9 vs. 1.1)
	Robeco QI Global Developed Sust. Enhanced Index Equities (EUR)	19.4%	-0.2%
	Robeco QI Global Multi-Factor Equities (EUR)	14.0%	- 4.0%
	Robeco QI Inst. Emerging Markets Enhanced Index Equities Fund (EUR)	11.2%	+5.1%
	Robeco QI Inst. Global Dev. Conservative Equities (EUR)	5.4%	-14.2% (Sharpe ratio 0.5 vs. 1.7)
	Robeco Sustainable European Stars Equities (EUR)	16.6%	+0.8%
	Robeco Sustainable Global Stars Equities Fund (EUR)	22.2%	+2.6%
	RobecoSAM Global SDG Engagement Equities (USD)	27.2%	+4.5%
	RobecoSAM Smart Energy Equities (EUR)	10.9%	-8.7%
	RobecoSAM Smart Materials Equities (EUR)	13.0%	-6.6%
	RobecoSAM Smart Mobility Equities (EUR)	13.9%	-5.7%
	RobecoSAM Sustainable Water Equities (EUR)	16.7%	-2.9%
	Rolinco (EUR)	24.8%	+6.8%
Fixed income	Robeco All Strategy Euro Bonds (EUR)	6.8%	-0.4%
	Robeco Euro Credit Bonds (EUR)	9.3%	+1.2%
	Robeco Euro Government Bonds (EUR)	8.2%	+1.1%
	Robeco Financial Institutions Bonds (EUR)	11.2%	+1.1%
	Robeco Global Credits (EUR)	7.1%	+0.6%
	Robeco Global Total Return Bond Fund (EUR)	3.3%	-1.4%
	Robeco High Yield Bonds (EUR)	9.9%	-1.3%
	Robeco QI Global Dynamic Duration (EUR)	8.3%	+4.8%
	Robeco QI Global Multi-Factor Credits (EUR)	6.5%	0.0%
	RobecoSAM Euro SDG Credits (EUR)	9.0%	+0.8%
	RobecoSAM Climate Global Credits (EUR)	6.7%	+0.3%
	RobecoSAM Global SDG Credits (EUR)	6.8%	+0.3%
	RobecoSAM SDG Credit Income (USD)	9.9%	No official benchmark
	RobecoSAM SDG High Yield Bonds (EUR)	10.0%	-0.5%
	RobecoSAM US Green Bonds (USD)	6.1%	-0.4%
Multi-Asset	Robeco ONE Neutral (EUR)	12.2%	No official benchmark

EMPLOYEES

At Robeco we aspire to be an employer of choice for talent and strive to unleash the power of our people. We foster an environment in which our employees feel empowered to be their best selves and achieve the best possible results for our clients and company. It is important for us that our employees are able to find the right balance between work and private life and we support them in achieving a harmonious balance. This enables us to meet the company's requirements and fulfill our clients' expectations.

We recognize that the world has changed since the Covid-19 pandemic and as a result, we adjusted our flexible working guidelines in 2023. Our commitment to help our employees achieve their best performance while maintaining a healthy work-life balance is reflected in our people proposition, which sets out what Robeco offers its employees and what we expect in return.

Our organization thrives on the strength and diversity of our workforce, which includes not only our permanent employees, but also workers that we employ temporarily, such as those on fixed-term contracts, contingent workers[12] and interns. In 2023, the average number of employees active on behalf of Robeco in the Netherlands

[12] Contingent workers are employees that are not directly employed by Robeco, but indirectly through a third party.

was 726 (2022: 704). In addition, Robeco also directly employs a number of people that are active abroad at its international branch offices. In 2023, the average number of employees formally and directly employed by Robeco at the international branch offices of Robeco was 71 (2022: 65).

Relying on contingent workers enables us to flexibly scale our workforce, usually to cover short-term absences or temporary increases in workload. The tasks range from administrative to executive duties. We also offer paid internship opportunities to students who wish to gain experience in the asset management industry. These internships are also valuable for Robeco as we gain from our interns' fresh perspectives and innovative ideas.

Regardless of the exact nature of our working relationship, we appreciate that each member of our workforce plays a role in our success, and we are committed to providing a supportive and inclusive environment for all.

Diversity, equity and inclusion (DE&I)
At Robeco we recognize the value of diversification as a key driver of the success of our investment strategies, and the same applies to our workforce. We believe that the different perspectives held by our employees make us more innovative, flexible and resilient. We aim for a culture in which we connect together: we seek to foster a workplace in which all colleagues feel safe, included, valued and empowered to be their best selves, regardless of their gender, age, experience, ethnicity, race, religion, disability, sexual orientation, social background or family responsibilities.

We have a DE&I Board in place that collaborates with our colleagues around the world, formulates our DE&I strategy (the DE&I roadmap) and provides support while overseeing the coordination of diverse DE&I initiatives across Robeco. Our DE&I Board consists of 12 members from different departments across regions and is chaired by our Chief Operating Officer. All our Employee Resource Groups (ERGs) are represented on the DE&I Board.

The ERGs provide our employees with the opportunity to share their perspectives on ideas, resources, support and education with each other. The ERGs help us to advance the firm's DE&I roadmap. We currently have four ERGs: GEA (Gender Equality Alliance), EDGE (Empowering Diversity, Growth and Equity), PRISMA and Ro-Next:

- GEA aims to raise awareness related to gender diversity, gender equality and (unconscious) biases to empower women across the company at every stage of their career;
- EDGE fosters a diverse, inclusive and equitable workplace for all cultures, backgrounds and ethnicities;
- PRISMA advocates a work environment that respects, welcomes and supports straight and LGBTQ+ professionals, enabling them to meet their full potential and contribute to Robeco's goals;
- Ro-Next is an initiative by young professionals (aged 35 or under) for young professionals at Robeco that creates a platform for them to connect, share and learn from each other.

The ERGs organized 29 events in 2023 to strengthen the sense of belonging among our employees.

Gender diversity
Our long-term ambition is to achieve a 50% gender balance at Robeco. We have established specific targets for gender diversity at different levels of our company, aiming for:

- Executive Committee: 30% gender diversity
- Senior professional: 30% gender diversity
- Professional level: 50% gender diversity

To improve the level of gender diversity at senior management level, we are transforming our performance management and retention practices. We have implemented a process that helps managers build career paths, thereby delivering on our ambition to improve gender equality. Every year in our performance cycle, HR monitors the gender pay gap and the gender distribution of promotions and nominations. This enables HR and management to validate and check the outcomes and take measures when needed. The ExCo actively engages with senior leaders in DE&I dialogues to address concerns, create understanding and build support. Our leadership program focuses on making our colleagues more aware of and knowledgeable about diversity, equity and inclusion.

In 2023 we also adjusted our policies to allow every colleague to care for their family members, and we updated our leave policies and procedures to be more inclusive. All employees have the freedom to use gender pronouns in internal and external communication. We also use exit interviews to gain insight in areas where we need to improve in the field of DE&I.

DE&I roadmap
In addition to specific targets for gender diversity, we strive to achieve broad diversity in multiple dimensions. We believe that setting targets for one minority creates the right backdrop against which we can achieve diversity, equity and inclusion for other underrepresented groups. Our DE&I roadmap sets out our plan for fostering diversity, equity and inclusion within our organization based on clear objectives and actionable steps.

In 2023, we built a foundation for our long-term DE&I goals. We reviewed our policies and adopted a strategy that will provide better results in terms of diversity and inclusion in our recruitment and staff retention. We recognize that it is important to ingrain diversity, equity and inclusion in our organizational DNA. Our main aims for 2024 are to:

- continue to increase adoption of DE&I and incorporate it in our leadership training;
- increase our employees' engagement with ERG events;
- review existing policies to make them more inclusive;
- further enhance our DEI reports and participate in external benchmarks.

DE&I metrics and report
In 2023 we developed a DE&I report that contains company-wide DE&I information. This will be accessible to all employees in 2024. Analyzing trends for various demographic dimensions such as gender, age and nationality in our hiring, promotion and retention practices helps us work towards and improve our DE&I Roadmap and DE&I initiatives and to report internally and externally on our progress.

Upskilling our workforce
Employees development is an important part of our strategy. We encourage all employees to fully embrace the opportunities for self-development we make available to them within the course of their work and/or through specialist learning and development programs. We encourage managers and employees to discuss what the focus of their development should be and the best way to put this into practice.

All our employees have a variety of learning and development opportunities available to them. These include in-person training and online courses. Focusing on personal and professional development, our training courses help our staff acquire the skills and knowledge vital for today's dynamic business environment.

Given the pivotal role that sustainable investing plays at Robeco, we run a specialized training program known as the Sustainable Investing Academy (SI Academy). It consists of basic, advanced and expert courses that our employees can include as part of their sustainability KPI in their annual appraisals.

We also provide a 'Connect and Learn' program, through which lecturers and researchers share their knowledge on topics that are relevant to Robeco. In 2023 we held eight sessions. The most popular were Time Management an Mental Health, Cyber Security: Ransomware, Spam and Scams, and International Women's Day. Robeco's Mentor Program helps our employees to learn from each other and benefit from each other's experience. This program includes the more traditional way of mentoring (senior employees mentoring junior employees) and reverse mentoring (junior employees mentoring senior employees), as well as peer mentoring. In addition to mentoring, we make internal and external coaching available to our employees to help them grow.

Given the importance we allocate to business ethics and compliance, several mandatory compliance trainings were provided to all employees during 2023.

Employee engagement
Our workforce is a dynamic community of passionate professionals dedicated to our shared mission and values. We value collaboration and encourage continuous feedback on the company's performance and open communication. With this in mind, we conduct an annual survey to measure overall engagement and satisfaction among our colleagues. All managers are requested to discuss their teams' results together in order to create an action plan to address areas for improvement. Action plans are followed up by the ExCo members for each domain.

Employee representation and workplace integrity
Employee representation at Robeco involves giving our employees a voice in decision-making processes. This can be through the Works Council or designated representatives. Robeco has a Works Council in the Netherlands. In other locations, we encourage employees to share their opinions through different channels, such as via their country manager, members of our HR department and our engagement survey.

Departments within HR, such as Rewards, Learning & Development and HR Operations, regularly meet with country managers to understand the needs of employees working in their offices. HR advisors are the first port of call for our employees to share their requests or concerns. Workplace integrity focuses on maintaining ethical standards within the organization, emphasizing fair treatment, transparency and compliance with laws and policies. We focus on this because we believe it contributes to a work environment that fosters employee engagement, builds trust and helps protect our employees' rights.

REMUNERATION

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

The key objectives of our Remuneration Policy are:

- to motivate our employees to act in our clients' best interests and to prevent potential conduct-of-business and conflict-of-interest risks;
- to support effective risk management and avoid employees taking undesirable risks;
- to foster 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 our environmental, social and governance risks and sustainable investment objectives by considering these criteria in the key performance indicators (KPIs) used to determine individual staff members' variable compensation;
- to provide market-competitive remuneration to help us attract and retain 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. RIAM's approach to remuneration is intended to attract, motivate and retain employees with 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 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'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 sector remuneration regulations to which RIAM is subject, is that they all endeavor to align, at least in general terms, the interests of

covered institutions[13] with those of their stakeholders, through the use of deferral mechanisms, retention periods and restrictions on disproportionate ratios between fixed and variable remuneration.

Closely observing these requirements – both in letter and in spirit – in developing our remuneration policy is a first step for RIAM to ensure alignment between its remuneration and the interests of its key stakeholders.

RIAM's remuneration policy seeks to strike a balance between its function as a trusted asset manager for institutional and wholesale clients on the one hand and its desire to offer its employees a well-balanced and competitive remuneration package on the other– while recognizing the inherent risks to the former posed by the latter. RIAM believes that the balance between the interests of our clients and employees is served by the use of specific performance criteria (KPIs), such as those emphasizing customer centricity.

In addition, RIAM recognizes that excessive variable remuneration can be inappropriate. Therefore, annual variable remuneration within Robeco in principle does not exceed 200% of fixed remuneration. This is a limit that Robeco considers appropriate in light of the market and global arena in which it operates.

Finally, in recognition of RIAM's social responsibilities in addressing sustainability challenges, 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
RIAM constantly seeks and receives input from clients, its shareholder, regulators and other stakeholder groups about its remuneration approach, enhancing the link between remuneration outcomes and stakeholder interests.

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

Remuneration elements
When determining the total remuneration of employees, RIAM periodically performs a 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, which depend 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 benchmarks of the investment management industry in the relevant region. The fixed remuneration is sufficient to remunerate the staff member for professional services rendered, in line with their level of education, degree of seniority, level of expertise and skills required and work experience and the relevant business sector and region.

Fixed remuneration - temporary allowances
Under certain circumstances, temporary allowances[14] 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 of RIAM and includes a risk assessment. This assessment takes into account both financial and non-financial risks, 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

[13] Institutions to which the remuneration regulations apply
[14] Fixed allowance granted for a period of two years.

account. This is to ensure any variable remuneration grants are warranted in light of the financial strength of the company and based on 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 their individual and team's and/or department's performance, based on pre-determined financial and non-financial performance factors (KPIs). Poor performance or unethical or non-compliant behavior will reduce individual awards and can even result in no variable remuneration being awarded at all. The variable remuneration of all RIAM staff is appropriately balanced with the fixed remuneration.

Performance indicators (KPIs)
The KPIs for investment professionals are mainly based on risk-adjusted excess returns over one, three and five years. For sales professionals, the KPIs are mostly related to net run rate revenue, and client relationship management. The KPIs should not encourage excessive risk-taking. 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.

All employees have a mandatory risk & compliance KPI: control, compliance and risk related performance is defined as a 'hygiene' factor. Their risk & compliance performance is assessed and used to adjust their overall performance downward if it does not meet the required level. Unethical or non-compliant behavior overrides any good financial performance generated by a staff member and will result in reduced variable remuneration.

All employees also have a sustainability KPI. Sustainable risks factors are integrated in the annual goal setting of relevant employees, so that their remuneration is aligned with sustainability risk management. Robeco's SISC develops an overview of relevant KPIs to measure the successful implementation of our sustainable investing strategy. This is used as a starting point to develop relevant KPIs for relevant employee groups. For example, portfolio managers have decarbonization and ESG integration-related KPIs, and risk professionals have enhancement-of-portfolio sustainability risk and monitoring-related KPIs. Staff members' variable remuneration is based on their performance with respect to their KPIs and is based on their managers' discretion.

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 operational financial results over a rolling eight-quarter period of all direct or indirect subsidiaries of RIAM and 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 an employee voluntary resigning or being dismissed for seriously culpable malpractice. Severance payments to daily policymakers as defined in the Wft are capped at 100% of fixed remuneration. No severance is paid to daily policymakers in the event of dismissal due to a failure of the institution (for example in case of a request for state aid or if substantial sanctions are imposed by the regulator).

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

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

Control Function Staff (Compliance, Risk Management, Internal Audit)
The following rules apply to the fixed and variable remuneration of Control Function Staff.
- The fixed remuneration is sufficient to guarantee that RIAM can attract qualified and experienced staff.
- The business objectives of Control Function 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 rules above apply in addition to the rules which apply to the Identified Staff if an employee is considered to be part of both the Control Function Staff and Identified Staff.
- The remuneration of the Head of Compliance, Head of Internal Audit and the Head of Risk[15] 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%)

Risk control measures
RIAM has identified the following risks that must be taken into account in applying its 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.

[15] There are 2 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 such as breach of the code of conduct, if any, or of 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 it, especially if this performance was relevant to the award of variable remuneration;
- a significant deficiency in the risk management of RIAM or any fund managed by it;
- significant changes in the overall financial situation of RIAM.

Ex-ante risk assessment – for Identified Staff
Before granting in-year variable remuneration to Identified Staff, RIAM may decide, as a form of ex-ante risk adjustment, to reduce the variable remuneration proposal, potentially to zero, in the event of compliance or risk related issues, collectively or individually.

Shareholder approval
In accordance with our governance, the remuneration of the Management Board is determined by the shareholder (OCE), based on a proposal from the Supervisory Board, which has been advised by the Nomination & Remuneration Committee. Remuneration for employees who earn in total more than EUR 500,000 per year or who are granted variable remuneration in excess of 200% of fixed remuneration requires the approval of the Supervisory Board, advised by the Nomination & Remuneration Committee and the shareholder.

Annual review
Our remuneration processes are audited and reviewed each year internally. Any relevant changes made by regulators are incorporated in our remuneration policies and guidelines. Every year, an independent external party reviews our remuneration policy to ensure it is fully compliant with all relevant regulations.

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	1.9	2.4	4.3
Other employees	828	804	88.7	35.5	124.2
Total	**831**	**807**	**90.6**	**37.9**	**128.5**

* *Situation as at 31 December 2023*
** *Based on the 2023 awarded amounts*

RISK MANAGEMENT

Governance of risk management

At Robeco, risk management is based on the principles of sound management, as set out in the Dutch Corporate Governance Code and the principles of the Committee of Sponsoring Organizations Enterprise Risk Management. We therefore manage risks according to what is currently considered to be best practice.

Robeco's risk governance structure is based on a Three Lines Model, which helps us identify and define the responsibilities of key players in our risk governance structure. It also enables to interact and effectively align, collaborate and be accountable when helping the company achieve its objectives within our defined risk appetite. All Robeco employees have a role in risk governance, with risk management and compliance responsibilities.

The three lines of the Three Lines Model are as follows.

- The first line consists of the primary risk owners who identify, assess and manage risks in their day-to-day work within our company.
- The second line is our Compliance and Risk Management departments, which develop and maintain the risk policies and frameworks that enable the first line to manage risk. These departments also monitor and report to the Enterprise Risk Management Committee on the risk and compliance activities of the first and second lines and on relevant developments.
- Our Internal Audit function is the third line and performs various independent audits and reviews of our risk management procedures.

A cross-functional committee structure is in place with the following five ExCo sub-committees:

Enterprise Risk Management Committee (ERMC)
The ERMC is the most senior body within Robeco that focuses on risk. It consists of members of the ExCo and relevant departments. The ERMC is chaired by the Chief Financial and Risk Officer (CFRO) and is responsible for evaluating and approving company policies relating to risk management and compliance. The ERMC also assesses whether the risks that Robeco's activities involve fall within defined risk tolerance levels. If risks exceed these levels, the ERMC has the power to remedy the situation. The ERMC is supported by a dedicated risk management committee to control the financial risks associated with our client portfolios, and by committees and sub-committees that focus on issues such as valuation, security, outsourcing and crisis management.

Sustainability and Impact Strategy Committee (SISC)
The SISC oversees, coordinates and drives sustainability matters across Robeco. Sustainable investing is one of the key pillars in Robeco's strategy. The implementation of sustainable investing is spread across the different investment teams at Robeco in Rotterdam, Hong Kong, and Zurich. Consistent integration of sustainability in our investment processes requires close collaboration with our Active Ownership and Sustainable Investing Research team, and is incorporated into our sales and marketing, strategic product management, risk management and IT and data processes.

Product Approval Committee (PAC)
Our PAC is ultimately responsible for approving new products, changes (including liquidations) to our products, seed capital requests, product reviews and other topics included in our Product Quality Procedure. The PAC ensures that products are launched, maintained or discontinued in the best interest of our clients, and that they adhere to Robeco's corporate values. Each member of the PAC is responsible for representing their domain (Operations, Compliance, Risk Management, Investments, SI Center of Expertise and Sales) and for evaluating proposals to assess whether they align with Robeco's strategic goals. The Head of Compliance is responsible for safeguarding our clients' interests.

Pricing Committee
The Pricing Committee ensures that we provide attractive investment solutions and services at prices appropriate to our clients while ensuring our business is sufficiently profitable and complies with applicable laws and regulations. It also verifies whether pursuing new or amended business proposals aligns with Robeco's strategic focus in terms of clients, investment strategies and services provided to clients. Another of the Pricing Committee's roles is to ensure fees are consistent for similar business proposals.

Customer Committee
The Customer Committee is responsible for assessing the acceptability of customer relationships from an integrity risk perspective. It provides a safeguard against the risk of accepting or continuing relationships with customers that do not fit within Robeco's integrity risk appetite or represent a threat to Robeco's reputation as a reputable financial institution. The Committee is mandated by the ExCo to ensure there is explicit, coordinated and well-documented risk review for customers, especially those perceived to involve high risk to our integrity or reputation. Within the context of applicable laws and regulations, the Committee ultimately decides whether to accept or reject each client.

In addition to the five ExCo sub-committees, there is one supervisory board sub-committee that complements our risk management governance:

Supervisory Board - Audit & Risk Committee

Please refer to the 'Corporate Governance' section for a discussion of the Audit & Risk Committee's responsibilities, and the Report of the Supervisory Board for a description of its activities in 2023.

Management review

The ongoing monitoring of risk management and internal control systems is embedded in Robeco's risk governance framework, and provides insight into the key risks affecting Robeco. The relevant members of the ERMC discuss these risks with the ExCo. In addition, reports are submitted to and discussed regularly with the ExCo, Audit & Risk Committee and Supervisory Board.

It is important to note that well designed and implemented internal risk management and control systems significantly reduce, but cannot eliminate, the risks associated with poor judgment, human error, control processes being deliberately circumvented, management overriding controls, or unforeseen circumstances.

Based on our monitoring of our risk management and internal control systems and an awareness of their inherent limitations, 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.

Risk and control

Robeco has a comprehensive control framework (the Robeco Control Framework – 'RCF') that enables us to maintain control of our operations and helps ensure we comply with laws and regulations. The RCF consists of several components that enable us to identify, assess, control and monitor significant risks. Robeco's risk appetite plays a central role in the RCF as it provides high-level guidance to help us determine the significance of risks and define the appropriate controls. We assess the RCF on an ongoing basis to determine whether the controls we have put in place are adequate to mitigate risks and whether the controls are operating effectively.

We regard the categories of risk we describe below 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 pressure on fees and competition may negatively affect our profitability. Continuous monitoring of these issues and diversification in terms of clients, asset classes and products can help mitigate their impact. Inability to meet our sustainability commitments, underperformance of our products or a dependence on a limited number of key products could all represent internal strategic risks. We address these risks through our formal review and approval procedure for new products and business initiatives and by maintaining a well-diversified product range. Our Strategy 2021-2025 ensures that Robeco is focused on our key strengths, and also that our wider product range remains relevant and available in all markets that we operate in. Our risk governance framework ensures there is sufficient monitoring of the sustainability risk we are exposed to.

Operational risks

Operational risks include failure to process or execute transactions and IT problems; risks relating to information security; data management; third-party, model and fraud issues and legal matters. We define operational risk as the risk of loss resulting from the inadequacy or failure of internal processes, people and systems, or from external events. Robeco provides a broad range of services and products for different types of clients in various parts of the world. This means we are exposed to risks linked to high operational costs and operational errors. We perform periodical Risk & Control Self Assessments (RCSAs) to identify and mitigate operational risks. Controls identified during RCSAs are periodically tested and monitored to ensure their effectiveness.

Having a strong reputation for integrity is crucial for us to safeguard the market's confidence and public trust in us. Fraud can undermine such confidence and trust. Therefore, we have put in place an approach to mitigate the risk of fraud, including actions to reduce the fraud risk we are exposed to and assessments of the effectiveness of our internal controls to reduce fraud risk. We have two Anti-Fraud Officers (AFOs), one from our Operational Risk Management department focusing on external fraud and the other from Compliance focusing on internal fraud. These AFOs are the first point of contact for any potential instances of fraud risk and ensure that they are dealt with in a timely and efficient manner. The AFOs have the following tasks:

- to perform periodical fraud risk assessments and report on their outcome to the ERMC and Audit & Risk Committee;
- to perform gap analysis to identify missing controls in the RCF;
- to align with IT Security on the anti-fraud measures that we have implemented and consider ways to further improve fraud detection;
- to ensure that internal and external fraud incidents are properly followed up.

The risk of fraud exists within each department. We have implemented measures to mitigate this risk, such as the segregation of the duties of portfolio managers, traders and our middle and back-office staff. Although there is always a risk of internal fraud resulting from employees overriding or bypassing our internal controls, we consider this risk to be limited due to the way we segregate assets: no assets our products invest in can be stolen as they are held by custodians that only act upon instructions that follow agreed processes and authorizations.

Compliance and integrity risks

Robeco has a code of conduct, which forms the basis of our Compliance Framework. This code describes the standards of behavior that Robeco expects of its employees. All employees must sign the code when they join Robeco; by signing the code they commit to act in accordance with it. All employees also sign on an annual basis to confirm that they will continue to adhere to the code of conduct.

The number of regulations and supervisory body policies governing the asset management industry[16] has increased since the global financial crisis. Dealing with the uncertainty associated with new regulations is demanding as their interpretation and the timeframes in which they are to be implemented are often unclear. Part of the operational risk we are exposed to therefore stems from the regulatory environment. To manage this risk, Robeco is actively involved in the process of developing regulation, both directly and through representative associations such as the European Fund and Asset Management Association (EFAMA) and the Dutch Fund and Asset Management Association (DUFAS). We monitor and assess the potential impact of planned regulations at an early stage, and relevant departments initiate and/or monitor the subsequent implementation of new or amended laws and regulations. Robeco performs a Systematic Integrity Risk Assessment (SIRA) periodically to assess our level of control over integrity risks as integrity risk events may lead to financial loss, financial misstatements and/or reputational damage. Robeco wants to ensure that it operates in a controlled way and that it is demonstrably in control of the integrity risks it is exposed to. Performing the SIRA is also a legal requirement.

Financial risk

Robeco is exposed to counterparty credit risk in respect of its cash balances and receivables. Default risk involves the risk that a counterparty will not honor its obligations to Robeco. To mitigate this risk, we have put in place a counterparty risk policy that is maintained by our Risk Management function. Its guiding principle is that counterparty risk should be mitigated wherever possible through the selection of counterparties (banks or other financial institutions) with high creditworthiness (based on strict rating criteria) and by limiting exposure to individual counterparties by diversification.

Market risk is the risk of the market prices of financial instruments falling, resulting in financial loss to the company. Robeco has limited direct market risk exposure, with the exposure that we do have resulting from fluctuations in foreign currency rates affecting our 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 affecting our current account balances. Interest rate risk is very low given the short duration of these positions, and foreign currencies are directly converted into euros to mitigate foreign exchange risk.

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

Indirect market risk is more important than strategic risk as our fee income is linked to our assets under management, which fluctuate in line with the financial markets. Declines in financial markets lead to lower income from management fees, which can reduce our profitability. The measures we take to mitigate this risk include offering a broad, well-diversified range of products and services covering various regions, currencies and asset classes, and maintaining a sound capital position.

Liquidity risk is the risk of Robeco being unable to honor its short-term obligations due to a lack of liquidity. Robeco has no substantial exposure to 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 our Finance department and reported to the ERMC on a periodic basis.

We hold capital to cover counterparty, operational and business and strategic risks. For both counterparty and operational risks, 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.

The potential effect of climate transition risk on our profitability is assessed by using four different climate transition risk scenarios. The results are compared to the capital requirement and may lead to an increase if the expected impact is higher than the risk capital requirement. This process is explained in more detail in the next paragraph.

Sustainability risk management
At Robeco we manage sustainability risk in our investment portfolios and at the corporate level. Below we explain how sustainability risk is managed at the portfolio level and how our findings at the portfolio level are also relevant for sustainability risk at the corporate level.

Sustainability risk in investment portfolios
Sustainability factors (such as environmental, social and employee-related matters, respect for human rights, and anti-corruption and anti-bribery issues) may have a positive or negative impact on the financial performance of our investments. For risk management purposes, we focus on the downside potential these factors involve.

Our sustainability risk policy sets out sustainability risk limits and controls for our portfolios, and how we react in the event that a risk limit is breached. It is a three-pillar approach that sets out minimum requirements to handle sustainability risk. The pillars are as follows.

- The first pillar lays down minimum requirements for all portfolios by applying exclusion lists of companies and governments based on their activities and behavior, and by integrating ESG in the investment process.
- The second pillar specifies how sustainability is promoted within products and sets out limits for sustainability criteria such as ESG ratings, greenhouse gas emissions, minimum allocations to sustainable investments and contributions to the SDGs.
- The third pillar involves our Risk Management department evaluating all our products according to different dimensions of sustainability, including climate risk scenarios. This process aims to raise awareness of sustainability risks, promote a deeper understanding of them and encourage discussion between stakeholders to whom we communicate our findings. Climate risk analysis includes an evaluation of the impact of the climate transition, and the physical risks and opportunities linked to climate change.

We review this policy every year to ensure it adheres to the latest standards and practices, including the Sustainable Finance Disclosure Regulation (SFDR), Task Force on Climate-related Financial Disclosures (TCFD) and Task Force on Nature-related Financial Disclosures (TNFD).

Translating portfolio risks into corporate risks

The way we assess the sustainability risks our investment portfolios are exposed to differs from how we determine the sustainability risks that Robeco as a corporate entity is exposed to. The risk profile of Robeco as an entity is based on the revenues generated through these investment portfolios. Robeco's income is the fee that we receive in relation to our assets under management (AuM). Based on the composition of our AuM, our Risk Management department models the revenues that should be generated in a year. The contribution all our investments make to our revenues is referred to as the Margin Portfolio. It enables Risk Management to perform risk analysis, including sustainability risk analysis.

In assessing corporate sustainability risk, Risk Management focuses on climate transition risk. Risk Management assesses the carbon sensitivity of our revenues and the potential impact of climate risk scenarios on these revenues. The results of this analysis are communicated to the ERMC every quarter.

Carbon sensitivity of our revenues

Risk Management assesses the carbon sensitivity of our revenues by estimating the carbon footprint of the underlying AuM. The translation of our AuM into revenues enables us to assess what the biggest contributors are to the carbon footprint of our revenues. Risk Management reports to the ERMC on which sectors and which investment capabilities contribute most to our carbon footprint. The assessments are used for information purposes and to create awareness about carbon sensitivities. If a vulnerability that may require action is identified, the ERMC can decide how to respond.

Impact of climate risk scenarios on our revenues

Our Risk Management department also assesses the potential impact of climate risk on our revenues by running several climate risk analyses on the Margin Portfolio. Doing so provides insight into the extent to which our revenues could fall due to climate risk, assuming that the holdings making up our current AuM remain unchanged over the time horizon of the scenarios.

Climate risk scenario analysis forms part of our risk budgeting process. As part of our Capital Adequacy Assessment process and internal Risk Assessment Process[17], Robeco performs a self-assessment of the climate risk our company is exposed to. This involves considering both our revenues and our costs to determine the potential effect of climate risk on our profitability. We compare the potential impact of climate risk scenarios to our capital requirement to ensure that Robeco's financial position would remain healthy in the event that climate risk manifests over time.

Risk Management has a broad set of climate risk scenarios available, most of which have a long-term horizon. For the risk budgeting process, we use a subset of scenarios with a horizon of one year. As a consequence, we only consider transition risks. Physical risks are longer term in nature, and as such do not match our budgeting horizon.

Corporate sustainability risk figures

To help us understand the risks and opportunities arising from climate change in greater depth, we acquire and generate climate-related data. Our analysts take this data and convert it into scores, footprint reports, impact reports and insights that are integrated across our range of products and services. The net impact of the sustainability risks faced by a company should also be seen in terms of the opportunities they create (such as in climate transition risk, gains from resource efficiency and cost savings, low emission energy sources and the development of new products and services. This means that transition opportunities should also be considered when assessing climate risks).

Climate risk scenarios

Climate risk forms part of our assessment of Robeco's capital adequacy. Every quarter, Risk Management analyzes the possible impact of climate risk on Robeco's revenues and available capital. The outcome is

[17] An annual process to determine the minimum amount of risk capital to be held. This is a regulatory requirement and we communicate its findings to the Dutch Central Bank.

compared with our minimum amount of required capital. In this analysis we use four climate transition risk scenarios based on guidance from the Dutch Central Bank (DNB).

The four scenarios describe shocks at the macroeconomic and mesoeconomic levels. These shocks, which have a one-year time horizon, are translated into impacts on Robeco's assets under management and the asset management industry. They are therefore suitable for assessing our capital adequacy, which uses the same time horizon. The four scenarios are as follows.

- Confidence shock: companies and households postpone investment and consumption due to uncertainty about policy measures and technology. This scenario only leads to a shock to equity prices.
- Policy shock: carbon prices rise by USD 100 per ton due to additional policy measures.
- Technology shock: the proportion of renewable energy in the energy mix doubles due to a technological breakthrough.
- Double shock: carbon prices rise by USD 100 per ton due to additional policy measures and the proportion of renewable energy in the energy mix doubles due to a technological breakthrough.

With an estimated impact of 7.7%, the DNB's double-shock scenario has the biggest projected negative impact on our revenues. Based on our calculations, Robeco would remain a profitable company in all scenarios.

Carbon sensitivity

The carbon footprints of our investments are the key determinant of the climate-transition risk our portfolios are exposed to. In general, the higher a company's carbon footprint, the more action it needs to take to become climate-neutral and the higher the costs involved in it doing so. We also assess the impact on Robeco's revenues to determine their exposure to the carbon footprints[18] of the companies we invest in. The greater the amount we invest in assets with high carbon footprints, the greater the risks to our company.

We perform two carbon footprint assessments: one using Scope 1 and 2 carbon emissions, the other using Scopes 1, 2 and 3[19]. Scope 1 and 2 emissions are directly within the control of companies, and will face taxation and costs when transitioning. Scope 3 is more indirect, and there can be disputes among companies upstream and downstream in the value chain about who is responsible for carbon emissions. This means that companies with a high Scope 3 carbon footprint face additional risks on their journey to becoming climate-neutral.

Sustainability risk: an evolving field

The consideration of risks linked to sustainability is an evolving field. There is more and more data, expertise and technology available to help us identify, measure and mitigate sustainability risks. The interpretation and understanding of sustainability risks and how they affect investment portfolios are also developing over time. We therefore regularly review and, where necessary, adjust how we integrate sustainability risk management in our processes to ensure that our practices remain up to date.

In recent years we have developed an extensive sustainability risk framework and enhanced our toolkit to analyze, understand and report on sustainability risks. We intend to improve our sustainability risk management processes in the coming years by:

- further developing our risk control framework and related processes, such as reporting;
- further improving how we determine a risk appetite by using quantitative elements and developing key risk indicators;
- exploring the possibility of incorporating important themes such as biodiversity and human rights in our sustainability risk policy in quantitative terms;
- investigating the possibility of improving our climate risk scenarios by incorporating additional climate risk indicators enabling us to identify potential winners and losers within industries in each scenario;
- incorporating the requirements of the Taskforce on Nature-related Financial Disclosures and exploring the implementation of nature loss scenarios;
- enhancing the methodology we use to assess the impact of climate-related risks on Robeco's revenues.

[18] Carbon footprint for scopes 1, 2 & 3 are provided by Trucost.
[19] The assessments observe the median carbon footprint using the GICS classification system.

CORPORATE OUTLOOK
Although our book of business is well diversified, market developments will affect Robeco's performance in 2024. In 2023, we took several actions to help accelerate our productivity in the long run.

We conducted a thorough review of the efficacy of our sales and marketing processes, leading to the implementation of a new global sales strategy and a revamped organizational structure for our sales and marketing departments. This strategic shift aims to improve how we capitalize on our sustainability intellectual property and diverse investment capabilities. We also set ambitious sales targets, but achieving them hinges partly on investor sentiment, which was weak in the wholesale market in 2023, and uncertainty is likely to linger for 2024. However, we expect the effects of our new global sales strategy will drive sales growth in the years ahead.

Our sustainability achievements were again externally recognized. Morningstar reaffirmed Robeco's commitment to ESG, acknowledging us as one of eight global firms truly dedicated to ESG through robust processes, resources, and active ownership. We attained five-star ratings in all modules of the Principles for Responsible Investment assessment. We attribute our success to actively managed products, a broad client base, and geographic diversification, which insulates us from market downturns. We also got ready to enter the active ETF space, with plans for an initial launch in the second half of 2024, as we view ETFs as a complementary avenue to our existing investment strategies.

Our commitment to leadership development was evident with the launch of our leadership journey in 2023, and we will extend this program to all employees in 2024. Furthermore, recognizing the importance of technology, we are reshaping our operational and technology departments to align with our strategic goals. Initiatives like cloud migration, front office architecture, and modern data platform are underway to bolster our technological capabilities, with the appointment of a Head of Technology to spearhead future initiatives.

Our current initiatives require time to translate into profits. Additionally, portfolio outflows in 2023 will negatively affect our 2024 financial performance. Profits in 2023 were boosted by positive market sentiment early in the year and one-off gains, including the transfer of our Dutch online retail platform to Van Lanschot Kempen. Consequently, we project a lower profit in 2024. The positive effects of our organizational changes are expected to materialize from 2025 onwards.

Rotterdam, 25 April 2024
The Management Board

Report of the Supervisory Board

Meetings of the Supervisory Board

In 2023, the Supervisory Board met eleven times. The Audit & Risk Committee met six times, and the Nomination & Remuneration Committee seven times. All regular plenary Supervisory Board meetings were attended by all Supervisory Board members. Furthermore, all active members of the Executive Committee (ExCo) and other guests attended the regular Supervisory Board meetings in 2023. The Supervisory Board also met in closed sessions, mostly without any of the ExCo members present 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. 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. The interests of clients are considered to be a key issue and, consequently, an important focus.

Another subject that comes up on a regular basis in the Supervisory Board's discussions is the developments in the financial markets and 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 for 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 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 and the overall profitability. It also dealt with risk management, compliance and legal and operational matters. The Supervisory Board was regularly updated on and involved in Robeco's strategic projects throughout the year.

Recommendation to adopt the annual financial statements

The Supervisory Board has taken note of the contents of the annual financial statements and of the report presented by KPMG, who issued an independent auditor's report on the 2023 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 distribute the 2023 net result of EUR 71.6 million as dividend to the shareholder, which proposal will be submitted to the Annual General Meeting of Shareholders.

Rotterdam, 25 April 2024
The Supervisory Board

Financial Statements 2023

Income Statement

for the year ended 31 December

EUR x million	*Notes*	*2023*	*2022*
Revenues	1	743.6	796.9
Distribution and subadvisory costs	2	-293.4	-323.6
Net income from fees		**450.2**	**473.3**
Other income: sale of business	3	18.4	-
Total income		**468.6**	**473.3**
Administrative expenses	4	287.7	273.5
Employee benefits expenses	5	24.7	24.4
Depreciation and amortization	8-10	2.5	2.6
Other expenses	6	57.9	55.3
Total operating expenses		**372.8**	**355.8**
Operating result		**95.8**	**117.5**
Finance income and similar income		4.9	1.2
Finance expense and similar expenses		-0.3	-1.1
Result before tax		**100.4**	**117.6**
Income tax expense	7	28.8	29.6
Result for the year		**71.6**	**88.0**

Balance Sheet as at 31 December

before profit appropriation

EUR x million	*Notes*	*2023*	*2022*
ASSETS			
Fixed assets			
Intangible assets	8	0.6	1.8
Tangible fixed assets	9	0.6	0.7
Right-of-use assets	10	5.1	4.1
Deferred tax assets	11	4.6	5.2
Total fixed assets		**10.9**	**11.8**
Current assets			
Trade receivables	12	59.3	59.5
Receivables from group companies	13	95.4	92.4
Accrued fees	14	32.8	26.7
Current tax receivables		0.7	1.9
Other receivables	14	2.2	1.8
Cash and cash equivalents	15	117.5	140.3
Total current assets		307.9	322.6
Total assets		**318.8**	**334.4**
EQUITY AND LIABILITIES			
Equity	16		
Issued capital		0.1	0.1
Share premium		31.5	31.5
Other reserves		0.7	1.0
Retained earnings		108.3	108.0
Unappropriated result financial year		71.6	88.0
Total equity		**212.2**	**228.6**
Provisions	17	**1.6**	**1.6**
Non-current liabilities			
Employee benefits	18	2.2	2.7
Lease liabilities	10	4.4	3.1
Total non-current liabilities		**6.6**	**5.8**
Current liabilities			
Distribution costs and subadvisory costs liabilities	19	34.3	37.5
Employee benefits	19	9.8	10.5
Liabilities to group companies	20	32.8	32.0
Lease liabilities	10	0.8	1.0
Current tax liabilities		4.5	3.6
Other liabilities	19	16.2	13.8
Total current liabilities		**98.4**	**98.4**
Total equity and liabilities		**318.8**	**334.4**

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 management of investment funds. The Company receives management fees and other fees for these activities. Offering alternative investments can also be considered as a main activity of the Company. The Company also offered investment products to retail clients directly up to 30 June 2023 (refer to note 3). The product range encompasses equity and fixed-income investments. Revenues 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 2023, which ended at the balance sheet date of 31 December 2023.

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 Robeco Holding B.V., the parent of the Company.

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) and is based on premium deposits, interest rate and the coverage ratio of the pension fund. The premium is fixed for a certain period of time. In 2023 a fixed premium was agreed, as well as for 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% (2024) per annum of average pensionable earnings up to a certain salary amount (EUR 87,302). 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 and a VAT group headed by Robeco Nederland B.V. The Company is jointly and severally responsible for the resulting tax liability, as are the other companies that are part of the fiscal unity. Some foreign offices of the Company are considered to be permanent establishments. Except for Robeco Dubai, all these offices are subject to corporate income tax in the country they operate and file their own corporate income tax returns.

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 unutilized 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 of 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 Revenues

The revenues can be specified as follows:

EUR x million	**2023**	**2022**
Management fees	595.8	636.5
Service fees	94.0	99.5
Performance fees	22.1	21.6
Subadvisory fees	19.1	17.6
Fees from clients	7.2	15.7
Revenues from marketing and sales activities	5.4	6.0
Total net revenues	**743.6**	**796.9**

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 in 2023, compared with 2022.

Subadvisory fees and Revenues from marketing and sales activities are received from other Robeco Group companies.

Fees from clients relate to retail clients. These fees decreased by EUR 8.5 million, following the sale of Robeco's online retail distribution platform in 2023 (refer to note 3).

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		**2023**		**2022**
Total revenue by region				
Luxembourg	77%	569.9	78%	625.0
Netherlands	11%	80.6	11%	83,4
Rest of Europe	5%	37.5	4%	34.8
Outside Europe	7%	55.6	7%	53.7
Total net revenues	**100%**	**743.6**	**100%**	**796.9**

2 Distribution and subadvisory costs

The costs can be broken down as follows:

EUR x million	**2023**	**2022**
Distribution costs	198.0	214.0
Subadvisory costs	95.4	109.6
Total distribution and subadvisory costs	**293.4**	**323.6**

Distribution costs paid to other Robeco Group companies amount to EUR 56.6 million (2022: EUR 57.9 million). Subadvisory costs paid to other Robeco Group companies amount to EUR 95.4 million (2022: EUR 109.6 million).

3 Sale of business

In February 2023, Robeco and Van Lanschot Kempen (VLK) signed an agreement for a strategic partnership including the transfer of Robeco's online distribution platform for investment services to VLK. 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 retained their current investments under the same conditions at VLK, Robeco's investments funds remain available to clients through VLK's distribution platform Evi Van Lanschot. The agreement was closed on 1 July 2023 with a net result of EUR 18.4 million. On this date all the assets and liabilities of Robeco Retail were transferred to VLK, among others client contracts, supplier contracts, intellectual property rights, and Robeco Retail employees.

4 Administrative expenses

Administrative expenses consist of costs charged by other group companies in the amount of EUR 287.7 million (2022: EUR 273.5 million) of which Robeco Nederland B.V. charges operating costs in the amount of EUR 257.7 million (2022: EUR 247.6 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.

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 726 FTE's on average in 2023 (2022: 704 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 3.5 million (2022: EUR 5.0 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 28.8 million (2022: EUR 24.4 million) to the Company and vice versa of EUR 2.3 million (2022: EUR 3.5 million).

5 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 4 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	**2023**	**2022**
Wages and salaries	18.1	20.3
Social security and pension costs	2.8	2.5
Other employee benefits expenses	3.8	1.6
Total employee benefits expense	**24.7**	**24.4**

During 2023, on average 71 FTE's (2022: 65 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	**2023**	**2022**
Germany	21	19
United Kingdom	28	25
Spain	9	7
United Arab Emirates	3	3
Italy	10	11
Total average number of employees	**71**	**65**

6 Other expenses

Other expenses can be specified as follows:

EUR x million	2023	2022
Fund and client related costs	45.0	44.3
Marketing	4.2	4.5
Audit costs[20]	2.7	2.1
Travel and accommodation	1.4	1.2
Information technology	1.4	1.4
Housing and furniture	1.1	0.6
Other	2.1	1.2
Total other expenses	**57.9**	**55.3**

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	2023	2022
Audit of the financial statements	0.3	0.2
Other audit engagements	1.9	1.3
Other non-audit services	0.5	0.6
Total	**2.7**	**2.1**

Other audit engagements mainly comprise of audits of funds and other Robeco companies. Other non-audit services relate amongst others to assurance reports on controls at the Group (ISAE 3402).

7 Income tax expense

The tax on the result can be specified as follows:

EUR x million	2023	2022
Current income tax	27.4	31.7
Income tax previous financial years	1.4	-2.1
Tax on result	**28.8**	**29.6**

The income tax previous financial years relates partly to differences in prior year tax filings of EUR 0.5 million in 2023 (2022: EUR -2.1 million). Furthermore, the 2021 and 2022 expenses to support distribution in China are marked as non-deductible costs in 2023, amounting to EUR 0.9 million, as a result of changes in the distribution organization in China and Hong Kong.

EUR x million	2023	2022
Result before tax	**100.4**	**117.6**
Tax at statutory tax rate in the Netherlands	25.9	30.4
Difference in tax rates for foreign operations	0.2	-0.2
Non-deductible costs	1.4	0.7
Movement in deferred income tax position	-0.1	0.8
Current income tax	**27.4**	**31.7**

[20] To provide better insight we reclassed the comparative figures from Fund and client related costs to Audit costs for an amount of EUR 0.6 million

Effective tax rate	27.3%	27.0%
Applicable tax rate	25.8%	25.8%

The Dutch statutory tax rate in 2023 was 25.8% (2022: 25.8%). 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 22).
The current income tax expense in 2023 was EUR 27.4 million (2022: EUR 31.7 million). In 2023 the effective tax rate was 27.3% (2022: 27.0%). The difference in statutory (25.8%) and effective tax rate (27.3%) is mainly caused by non-deductible costs. The non-deductible costs in 2023 include expenses to support the set-up of distribution opportunities in China and Japan (refer to note 4).

Notes to the balance sheet

8 Intangible assets

Movements in intangible assets were as follows:

EUR x million	2023	2022
Cost at 1 January, net of accumulated amortization and impairment	**1.8**	**1.9**
Additions	-	1.5
Disposals	-	-1.2
Cumulative amortization disposals	-	1.2
Amortization	-1.2	-1.6
Net carrying amount at 31 December	**0.6**	**1.8**
At 31 December		
Cost	3.8	3.8
Accumulated amortization and impairment	-3.2	-2.0
Net carrying amount at 31 December	**0.6**	**1.8**

The intangible assets relate 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. and the Company's branch Robeco United Kingdom as of 1 April 2022 and 1 January 2021. Both are fully depreciated within 3 years.

9 Tangible assets

Movements in tangible assets were as follows:

EUR x million	2023	2022
Cost at 1 January, net of accumulated amortization and impairment	**0.7**	**0.4**
Additions	0.2	0.4
Depreciation	-0.3	-0.1
Net carrying amount at 31 December	**0.6**	**0.7**
At 31 December		
Cost	2.1	1.9
Accumulated depreciation	-1.5	-1.2
Net carrying amount at 31 December	**0.6**	**0.7**

The tangible assets fully relate to leasehold improvements, furniture and IT hardware.

10 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	2023	2022
Right-of-use assets related to property (office buildings)		
Cost at 1 January, net of accumulated amortization and impairment	4.1	2.6
Additions	2.0	2.4
Disposals	0.0	-0.7
Cumulative depreciation disposals	0.0	0.7
Depreciation	-1.0	-0.9
Net carrying amount at 31 December	**5.1**	**4.1**
At 31 December		
Cost	7.5	5.5
Accumulated depreciation	-2.4	-1.4
Net carrying amount at 31 December	**5.1**	**4.1**
Lease liabilities		
Contractual undiscounted maturities at 31 December		
Less than 1 year	1.0	1.0
Between 1 and 5 years	4.5	2.5
Over 5 years	0.2	0.7
Total contractual cash flows	**5.7**	**4.2**
Carrying amount at 31 December		
Current	0.8	1.0
Non-current	4.4	3.1
	5.2	**4.1**

Amounts recognized in the income statement

The income statement shows the following amounts relating to leases:

EUR x million	2023	2022
Depreciation of right-of-use assets (office buildings)	1.0	0.9

11 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 1.0 million (2022: EUR 1.2 million). The deferred tax assets includes an amount of EUR 3.4 million (2022: EUR 3.9 million) as a result of the merger with Robeco Luxembourg and will be amortized in 10 years, starting 2021.
The deferred tax assets includes an amount of EUR 0.2 million (2022: 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 1.4 million (2022: EUR 1.8 million).

12 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 are recognized, trade receivables have no history of non-performance.

13 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 15.4 million at 31 December 2023 (2022: EUR 12.4 million).

The Company has granted a current account to Robeco Holding B.V. This current account is receivable on demand. The balance was EUR 80.0 million at 31 December 2023 (2022: EUR 80.0 million). The current account is granted for cash management purposes and the interest rate is based on Ester and a risk premium. The effective interest rate in 2023 was 3.9% on average (2022: 1.0%). The fair value of the receivables approximates the carrying amount due to their short-term character.

14 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.

15 Cash and cash equivalents

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

16 Equity

At 31 December 2023, 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 2023	**0.1**	**31.5**	**1.0**	**108.0**	**88.0**	**228.6**
Dividend distribution	-	-	-	-	-88.0	-88.0
Release: Luxembourg Net Wealth Tax	-	-	-0.3	0.3	-	0.0
Add: result 2023	-	-	-	-	71.6	71.6
At 31 December 2023	**0.1**	**31.5**	**0.7**	**108.3**	**71.6**	**212.2**

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**

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 2023. 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, an 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 0.7 million end of 2023.

17 Provisions

Movements in provisions were as follows:

EUR x million	Possible loss of income
Cost at 1 January 2023	**1.6**
Additions	-
Usage	-
Release	-
Net carrying amount at 31 December 2023	**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 2023. As per 31 December 2023 no amounts were used.

18 Employee benefits

Employee benefits consists of deferred incentives of personnel employed by the Company. We refer to note 19 for the current portion of the Employee benefits.

19 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.

20 Liabilities to group companies

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

21 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 5.3 million as per 31 December 2023 (as per 31 December 2022: EUR 3.4 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 0.4 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 and other contracts of EUR 0.1 million (2022: EUR 0.1 million). These commitments have remaining terms of between 1 and 3 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 0.2 million (2022: EUR 0.1 million).

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

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 of 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.

22 Related parties

ORIX Corporation and entities under common control of ORIX Corporation Europe N.V. form a related party. During 2023, 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 (2022: EUR nil), because the risks involved are not considered to be material.

23 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)	**2023**	**2022**
Base salary [1]	1.831	1,511
Variable remuneration (short- and long-term components) [2]	2.082	2,016
Pension costs and other costs [3]	435	375
Total	**4.348**	**3,902**

All amounts are before (wage) tax and social security contributions.
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.
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.

24 Remuneration of members of the Supervisory Board

The total remuneration for the members of the Supervisory Board amounted to EUR 415 thousand (2022: EUR 415 thousand). The remuneration costs are included in Administrative expenses.

25 Subsequent events

There are no subsequent events to be reported.

Proposed profit appropriation

The Management Board, with consent of the Supervisory Board, proposes to distribute the 2023 net result of EUR 71.6 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, 25 April 2024

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 Middle East	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 2023 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 2023, and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1 the income statement for 2023;

2 the balance sheet as at 31 December 2023; and

3 the notes 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 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 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. We have also incorporated elements of unpredictability in our audit, such as involvement of forensic specialists in our audit procedures.

As a result from our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance:

- 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).

Based on the above and on the auditing standards, we identified the following fraud risks that are 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 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.

Revenue recognition (a presumed risk)

Risk:
We identified a fraud risk in relation to the recognition of revenue of the Company. This risk inherently includes the fraud risk that management deliberately overstates revenue, throughout the period, as management may feel pressure to achieve planned results for the current or next year.

Responses:

- We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls related to the revenue process.
- We performed substantive audit procedures throughout the period of revenues by determining the fulfillment of performance obligations (revenue recognition) by assessing the terms and conditions and vouching revenues recorded to the underlying agreements and supporting documentation.

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 management'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 all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 as required by 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 fraud or error.

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 the Management Board and the Supervisory Board 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, 25 April 2024

KPMG Accountants N.V.

G.J. Hoeve RA