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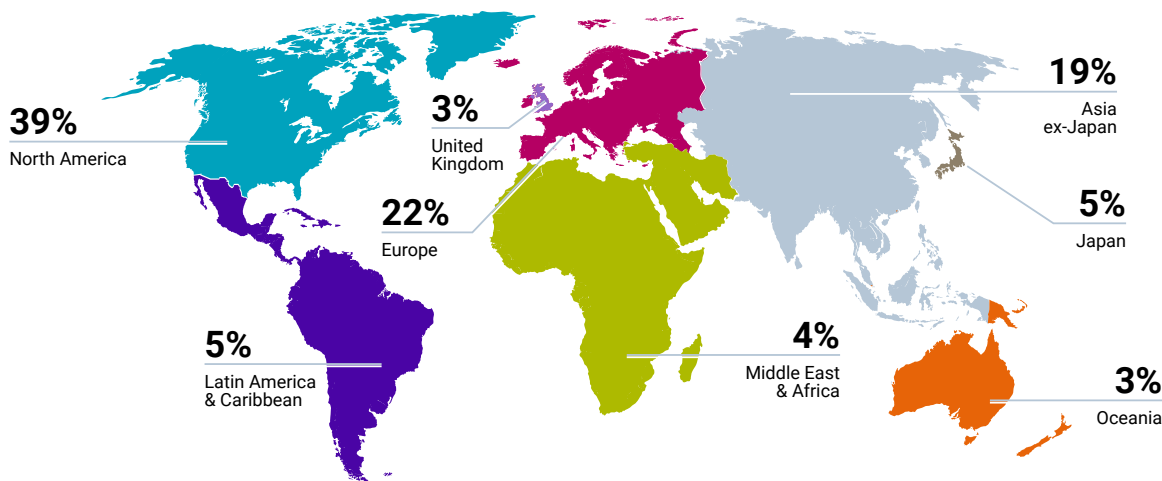
Active ownership report

Prepared on behalf of

**St
James's
Place**

Q4|24 figures engagement

Engagement activities by region



Number of engagement cases per topic*

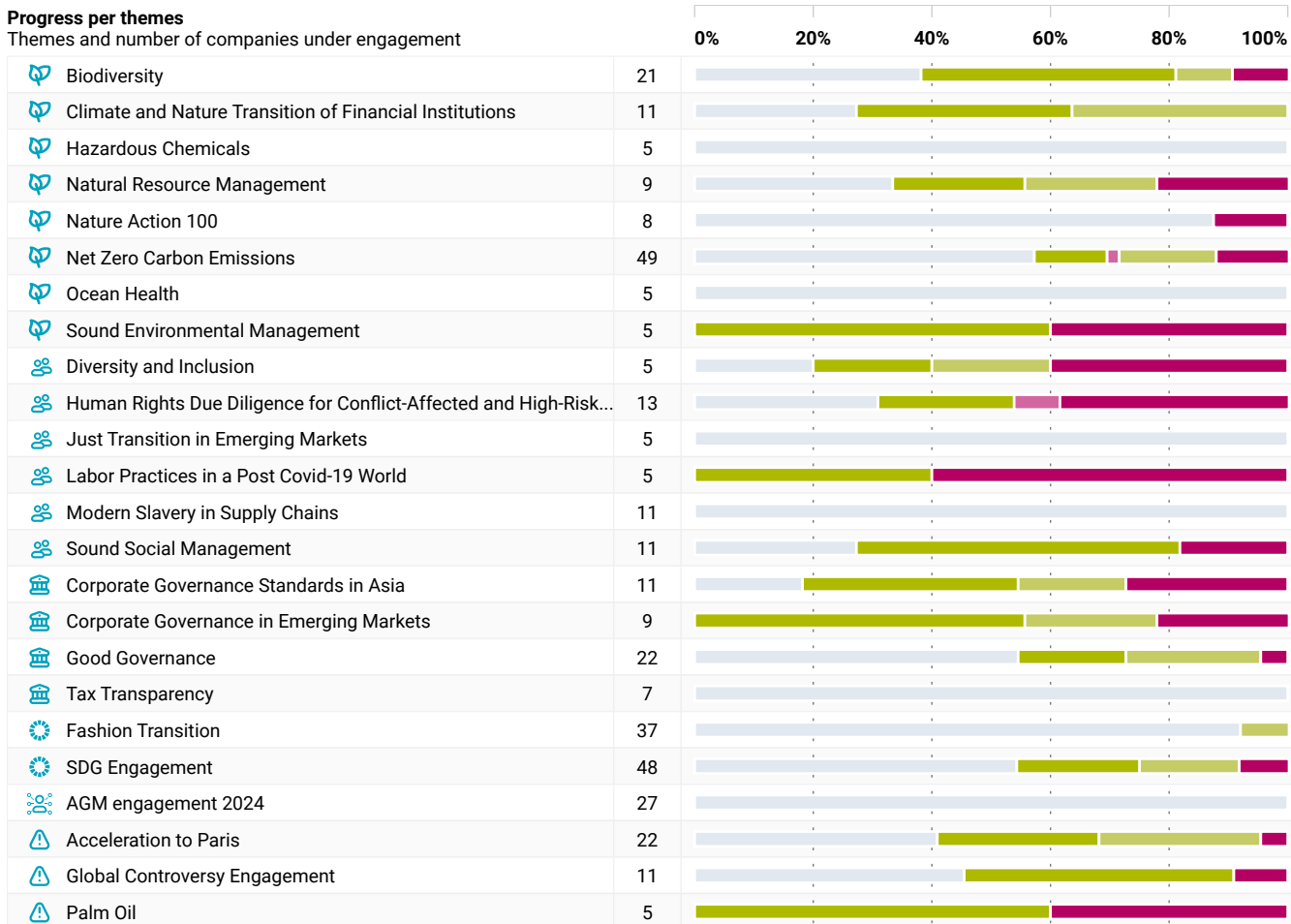
Topic	Q4
Environmental	62
Social	21
Governance	24
Sustainable Development Goals	63
Voting Related	8
Enhanced	17
Total	195

Number of engagement activities per contact type

Contact Type	Q4
Meeting	11
Conference call	114
Written correspondence	128
Shareholder resolution	0
Analysis	62
Other	1
Total	316

Progress per themes

Themes and number of companies under engagement



● Success ● Positive progress ● Flat progress ● Negative progress ● No Success

* For more information on Robeco's approach to engagement please refer to the appendix at the end of the report.

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Ocean Health

Comprising 70% of the Earth's surface, our oceans play a vital role in the planet's health and the global economy. Beginning in the first quarter of 2025, Robeco will begin the 'Ocean Health' theme to tackle climate change, biodiversity loss and pollution. Head of Active Ownership Peter van der Werf outlines how the initiative aims to mitigate ocean footprints.

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Robeco is extending the 'Acceleration to Paris' engagement that began in 2021, focusing on phasing out coal power and reducing emissions. Engagement specialist Cristina Cedillo looks back on the progress made in 2024 and sets out the minimum expectations for continued engagement in 2025.

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Introduction



Engagement lies at the heart of everything that the Active Ownership team does at Robeco. Robeco views regular and open dialogues with investee companies as an essential part of sustainable investing. The fourth quarter saw the launch of a new engagement theme that will start in 2025, while making good progress with two other themes, both linked to climate change and the transition to a low-carbon economy.

Firstly, our new 'Ocean Health' engagement theme that begins in the first quarter of 2025 will be outlined. A decade ago, we addressed modern slavery in the seafood industry in Thailand; this theme will focus on environmental health indicators of the ocean biome, and how companies affect them with their practices. The world's seas are both a food source and a place of economic activity, ranging from fisheries, shipping and tourism, to renewable energy. It is also increasingly being over-exploited. The engagement with companies in three sectors that rely on the oceans – seafood, shipping and cruise lines – will aim to reduce their environmental and biodiversity footprints on this precious resource.

On the evergreen theme of climate change, the 'Acceleration to Paris' engagement has enjoyed significant progress in gaining corporate commitments to phase out fossil fuels. With many engagements successfully closed, there now is a need to look at companies scoring badly in the assessment of their alignment with the Paris goals.

Moving to a low-carbon world requires action to affect those displaced by it. Shutting coal mines, for example, brings job losses for mining communities and cannot be done in isolation. We began a 'Just Transition' engagement theme in Q3 2023, and can now report on the seeds planted in getting more companies committing to the transition. We also outline how expanding the theme to cover the financial sector aims to look at the funding side of it.

Finally, we look at investors' concerns over the Italian Capital Markets Bill, enacted in March 2024. It aims to boost competitiveness but faces criticism for weakening minority shareholder rights and complicating governance. But there may be some light at the end of the tunnel, as Italy reconsiders revising the controversial rules.

As 2025 progresses, we look forward to updating clients and stakeholders with our engagement results as we continue our deep commitment to sustainability.

Peter van der Werf

Head of Active Ownership

OCEAN HEALTH

Sailing across the ocean

Peter van der Werf – Head of Active Ownership

Covering 70% of the planet's surface, the ocean is central to life on Earth – providing oxygen, food and medicine. However, climate change and marine biodiversity loss threaten the ocean's ability to provide these services. The new 'Ocean Health' engagement theme focuses on some of the companies at the core of this debate – seafood, shipping, cruises and even deep sea mining – to shape a resilient and nature positive 'blue economy'.

Why the focus on the ocean?

While we tend to have a basic notion of the ocean's importance, it often is difficult to grasp just how critical the ocean ecosystem really is to our daily lives. The ocean harbors 80% of all life, from plankton and seaweed to fish and whales, each playing a role in maintaining vital ecosystem services, from carbon sequestration and oxygen production, to food provision and pharmaceutical research.

For instance, plankton, seagrass and mangrove forests produce nearly 50% of the world's oxygen and sequester 30% of human-made CO₂ emissions. At its surface, the seawater captures more than 90% of the heat from increased greenhouse gas emissions and offers opportunities for clean energy production, from offshore wind to tidal energy. And all while underwater, shiny fish swarms provide a healthy and low carbon footprint protein source to more than three billion people.¹

Why is it relevant for investors?

Besides the ocean's critical role for human life, more than 66% of listed companies have been found to be dependent on a healthy and productive ocean.² At the core of this is the 'ocean economy' – economic activity ranging from fisheries, shipping and tourism, to renewable energy. Valued at USD 1.5 trillion in 2010, the ocean economy is expected to double its contribution to USD 3 trillion by 2030.³ However, exploitative and polluting business practices – many from within the ocean economy itself – put this value at risk.

Climate change, driven among other things by high carbon footprint industries such as shipping and cruise lines, is expected to bring about more severe weather events, disturbing seaborne routes and damaging vessels. Rising ocean temperatures and ocean acidification have led to the loss of 50% of the world's corals, thereby destroying a key habitat hosting 25% of all marine life. Overfishing threatens the regeneration of fish populations, with 33% of all fish stocks currently overexploited.

The different pressures on oceans, from climate change, pollution, sea use change and over-exploitation, to the spread of invasive species, have led to a 56% decline in marine vertebrate populations since 1970,⁴ and to a rapid decline in the size of seagrass and mangrove ecosystems,⁵ threatening the ecosystem's proper functioning. Even deeper waters face growing economic activity through the growing adoption of deep sea mining.

Businesses increasingly feel the consequences of this loss, from a physical and also a regulatory perspective. The call to protect our ocean stretches across international ambitions, from the United Nations Sustainable Development Goals, led by SDG 14: Life Below Water, to the Kunming Global Biodiversity Framework, which guides national ambitions on ocean conservation and restoration. As such, increasing national regulations are being set such as stricter fishing quotas and the first carbon taxes for ships.

How will the engagement address these risks and opportunities?

The 'Ocean Health' engagement will cover three of the most important ocean-based sectors: seafood (both wild catch and aquaculture), shipping and cruise lines. Companies were selected based on their respective climate and nature performance as well as their engageability.⁶

The engagements will focus on companies' management of both their impacts and dependencies on marine health, and will explore the opportunities that exist in the transition towards nature-neutral and even restorative value creation models.

1 The London School of Economics and Political Science (2023) What role do the oceans play in regulating the climate and supporting life on Earth?

2 World Wide Fund for Nature (2019) Navigating Ocean Risk, Shaping the Transition to a Sustainable Blue Economy.

3 OECD (2016) The Ocean Economy in 2030.

4 WWF (2024) Living Planet Report 2024 – A System in Peril. WWF, Gland, Switzerland

5 with mangrove destruction rates exceeding average forest loss rates 3 to 5 times

6 Robeco Call for Moratorium on deep-sea mining

The engagement follows four objectives – assessment, strategy, stakeholder management and governance – each with sector-specific engagement asks developed to address each sector’s key biodiversity loss pressures and transition opportunities.

What do we aim for?

“ The different pressures on oceans have led to a 56% decline in marine vertebrate populations since 1970.

Peter van der Werf

With our engagement we aim to improve the companies’ ocean footprints and help them build resilience while also grasping opportunities in the sustainable blue economy. For instance, through our assessment asks, we want companies to gain a better understanding of climate and biodiversity risks and impacts, applying for instance the Taskforce for Nature (and Climate) Related Financial Disclosure frameworks, so that they can effectively prioritize and address resiliency risks.

In our strategy objective we take this one step further, setting out a vision for companies to prevent and reverse ocean health decline, while strengthening their resilience against any remaining risks. We expect companies to set out high-level climate and biodiversity ambitions, and to develop quantifiable and timebound roadmaps.

For fisheries, for instance, we expect them to stop sourcing from overexploited fish stocks or use excessively damaging fishing methods – ultimately reducing their dependence on an increasingly scarce resource. Larger companies will be asked to adopt best practice fishing practices as defined by the Aquaculture and Marine Stewardship Council certifications and invest in climate change adaptation techniques. We will ask shipping and cruise lines to focus more on reducing greenhouse gas emissions, water and air pollution, especially in the light of growing discussions around carbon taxes and repeated pollution controversies.

The implementation of the strategy should be embedded in the businesses’ vision and supported by adequate stakeholder management and governance and risk management processes, ranging from supplier incentive systems, to having adequate board oversight.

How did you select the companies and what are the next steps?

Following the mapping of Robeco’s and our clients’ investment exposure to ocean revenues, from seafood to port operations, we evaluated respective companies’ climate and nature performance as well as their engageability. Based on insights from the Ocean 100 list – listing the largest companies active across the ocean economy -, Robeco’s internal frameworks, and others, we selected a focused group of companies per sector to engage with. The three-year engagements, which will start in Q1 2025, will take us across the seas, from smallholder fisheries in Asia to cruise ships in the Bahamas, allowing us to dive into the depths of corporate action around protecting and restoring ocean health.

CASE STUDY

A Nature Transition Pathway for the seafood sector

So far, no clear transition pathway exists for businesses across the ocean economy to halt and reverse biodiversity loss by 2050, as is required by the Global Biodiversity Framework. Leveraging technical expertise and advice from the World Wide Fund for Nature, Robeco developed its first iteration of a nature transition pathway for the seafood sector. The framework aligns with the mitigation hierarchy to avoid and reduce pressures, take actions to restore and regenerate ecosystems, and transform broader economic, social and political systems.

It leans on frameworks from the Science Based Targets Network, the Taskforce for Nature Related Financial Disclosures, the World Benchmarking Alliance, the UN Environmental Program for Financial Institutions, and other initiatives. Our engagements will follow Robeco’s seafood framework, which defines ‘must have’s’, ‘should have’s’ and ‘could have’s’, from prohibiting activities in highly sensitive areas such as shark finning, to investing in landscape restoration and supplier incentives. This allows us to pick up companies wherever they are on their nature journey.



ACCELERATION TO PARIS

Accelerating the course of climate action

Cristina Cedillo – Engagement specialist

In 2021, Robeco launched an enhanced engagement program with companies that were at risk of divestment if they did not improve their climate performance. The Acceleration to Paris theme focuses on high emitters that have very weak management of greenhouse gas emissions. In 2024, the majority of engagements were concluded, and a new set of companies was selected for the second phase of this theme. In this article, we provide an overview of the key developments in our climate enhanced engagement, the results obtained so far, and the focus for the coming years.

Coal power expansion as key theme

With around one-third of global greenhouse gas emissions coming from electricity and heat, decarbonizing the power sector remains crucial in decarbonizing the world economy. Not building new coal-fired power stations and phasing out coal by 2040, while rapidly scaling up low-emissions power sources, are some of the key actions needed to accelerate the energy transition and reach net zero emissions by 2050. In the COP26 Glasgow Climate Pact, countries committed to accelerate the phasedown of unabated coal power. By the end of 2023, 84 countries had agreed to phase out coal, or to not develop new unabated coal power plants, collectively accounting for around 30% of current coal power consumption.¹

Phasing out coal by 2040 would require an average of 126 gigawatt (GW) of closures every year – the equivalent of two plants a week – even if no new capacity was added, according to Global Energy Monitor estimates.² Currently, 578 GW of coal capacity is still in development. With a lifespan of around 40 years, any new coal power plants becoming operational today could continue operating well past the net zero commitments of most governments.

The Just Energy Transition Partnerships that have been set up between wealthy countries and several coal-reliant emerging economies, like South Africa and Indonesia, can help address the problem by financing the early closure of coal power plants. However, they have also shed light into the complexity of shutting down early existing coal plants, particularly newer ones. Closing plants is

expensive and often subject to regulatory approval. Contractual agreements usually bind companies to deliver electricity for many years into the future. The continued development of coal power plants brings financial risks to their owners, potentially facing stranded assets in the future, and contribute to locking-in carbon emissions over the long term.

In December 2021, we initiated engagement with a set of companies that were developing new coal power plants, based on the Global Coal Exit List of Urgewald, a German environmental campaign group.³

Our engagement focused on the companies' climate transition plan, which should include a commitment to no new coal power developments, defining a phase-out year, and adopting emissions reduction targets with credible milestones. We also took into consideration the financial close of the new coal power project, which is the point at which companies secure financing for completing the project, representing a clear legal milestone that creates financial and contractual obligations. Projects that reached financial close prior to the Glasgow Pact (December 2021) are potentially eligible for transition finance under various frameworks, such as the Singapore-Asia Taxonomy and the Responsible Minerals Initiative (RMI).

Defining clear minimum climate expectations

During 2024, Robeco defined a clear set of minimum climate expectations that high emitters must meet, and initiated engagement with a new set of companies

failing these criteria. The screen focuses on emitters that have been scored as being misaligned or only partially aligning with the goals of the Paris Agreement, according to Robeco's Traffic Light framework. These companies are expected to report greenhouse gas data and set emissions reduction targets. Moreover, those operating coal power plants are expected to have a coal transition plan in place, with similar criteria to the one used for coal power expansion companies. For companies involved in oil and gas upstream activities, we expect them to mitigate methane emissions.

A lot of the companies failing our minimum expectations are based in emerging markets, where climate disclosures are less well established. However, there are encouraging signs following the development of the IFRS Climate-Related Disclosure framework as the first global standard. Regulators around the world, including in key markets like China, are aligning their corporate reporting requirements with (parts of) this disclosure framework. We expect these regulatory developments to support our engagement, particularly in challenging markets.

A critical next five years

The next five years are critical for curbing emissions and staying on course to achieve net zero by 2050. Under the 'ratchet mechanism' of the Paris Agreement, countries would submit new intended nationally determined contributions (INDCs) every five years, outlining how much they aim to reduce emissions. Each submission should be more ambitious than the last, thereby

“ Policy developments are critical to maintain momentum, which we aim to amplify through our engagement with companies that need to step up their efforts on climate action.

Cristina Cedillo

1 IEA, Coal. <https://www.iea.org/energy-system/fossil-fuels/coal>

2 Global Energy Monitor (2024) Boom and Bust Coal 2024. <https://globalenergymonitor.org/report/boom-and-bust-coal-2024>

3 Robeco's Exclusion Policy on coal includes coal power expansion plants (≥ 30 MW, pro-rated). Some companies may be subject to engagement before exclusion.

ratcheting up. During 2025, such INDCs will be adopted against the backdrop of energy security concerns, climate physical impacts and social inequality. These policy developments are critical to maintain momentum, which we aim to amplify through our engagement and additional voting with companies that need to step up their efforts on climate action.

CASE STUDY

SUMITOMO CORP

Sumitomo is an example of how companies can reduce their coal power generation. We engaged with the company between 2021 and 2024 where we called on the company to adopt a coal phase-out plan. The Japanese firm has committed to not investing any more in thermal coal projects. The final project they were involved in is the Van Fung power station in Vietnam, which was completed in December 2023. Sumitomo withdrew from several coal-fired power station projects in Bangladesh in 2022. The company has a plan for phasing out its thermal coal assets by the late 2040s, with intermediate targets to reduce coal power generation capacity by 60% by 2035 (from 5.4GW to ~2 GW).

Another noteworthy feature of the decarbonization strategy is the use of agreements with national governments to co-create low-carbon energy infrastructure. Sumitomo has reached an agreement with Indonesia's state-owned power company to accelerate renewable deployment and early retirement of coal. While it is in the early stages of implementation, the agreement has high potential for positive impact in Indonesia, which relies heavily on coal.



A JUST TRANSITION IN EMERGING MARKETS

All aboard for the Just Transition – from ambition to action

Ghislaine Nadaud – Engagement Specialist

A Just Transition is critical in addressing the social, economic and equality challenges arising from the shift to a sustainable, low-carbon economy. Without it, climate action could exacerbate inequalities, disproportionately affecting vulnerable groups such as workers in carbon-intensive industries, economically marginalized communities, and indigenous populations. By ensuring equality, a Just Transition promotes social cohesion and reduces the risk of social unrest. One year into our three-year engagement program, we can report some progress, despite initial challenges.

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Everyone has a role to play; the Just Transition is a shared responsibility

The Just Transition is a shared responsibility among governments, companies, civil society and financial institutions because its success depends on coordinated efforts across these key stakeholders.

Governments play a central role by setting policies, regulations, and frameworks that guide equitable climate action while providing social protections for affected communities. Companies are responsible for integrating Just Transition principles into their operations, supporting workers, and innovating sustainable business practices.

Civil society plays a critical role in advocating for social justice, holding governments and corporations accountable, and ensuring that the voices of marginalized and vulnerable communities are included in decision-making processes during the Just Transition.

Financial institutions must ensure that their capital allocations prioritize inclusive and sustainable projects, financing initiatives that align with both environmental and social objectives.

Why a Just Transition matters for investors

For investors, supporting a Just Transition is essential for maintaining financial stability and minimizing reputational risks.

Ignoring social aspects can lead to workforce disruptions and community resistance, ultimately undermining investment value. Conversely, aligning with Just Transition principles helps investors mitigate risks, seize emerging opportunities in renewable energy and green technologies, and enhance stakeholder trust. This alignment also reinforces investors' fiduciary duty to support long-term, sustainable growth.

Just Transition in our emerging markets engagement theme

Robeco launched a dedicated engagement program in Q3 2023, focusing on companies in emerging markets. Emerging markets were chosen due to their reliance on high-emission industries and the potential for economic transformation through sustainable practices.

While emerging markets face significant risks from unsustainable development, they also have the opportunity to reshape their economies, create jobs, and improve their global standing by addressing climate change and social inequality.

Engagement objectives

The engagement program sets the following objectives:

1. Ambition and governance

Companies must explicitly commit to a Just Transition and embed it within their governance structures.

2. Stakeholder engagement

Companies should assess the related risks and opportunities through continuous dialogue with key stakeholders, including employees, local communities, and industry associations.

3. Just Transition plan

Companies are expected to publish or integrate a Just Transition plan within their broader climate transition strategies, addressing risks and opportunities in the short, medium, and long term.

4. Risk management

Companies should implement policies to manage the associated risks across their value chains, aligning with

international standards such as the UN Guiding Principles on Business and Human Rights (UNGP).

5. Transparency and Disclosures

Companies must monitor and disclose their progress in line with global benchmarks and frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD).

These engagement objectives are aligned with key frameworks such as the UNGP, Glasgow Financials Alliance for Net Zero (GFANZ), Climate Action 100+ (CA100+), the International Labor Organization (ILO) and the World Benchmarking Alliance (WBA) Just Transition Principles.

Taking stock

The engagement program has seen some success since its launch, though with much work still to be done, particularly in raising its profile. Companies acknowledged that this is still a relatively new concept for them, but have shown interest in learning more, and engaging in dialogue. From the engagement, a few common themes have emerged:

- Most companies have issued explicit commitments to the Just Transition, with ESG committees overseeing related activities. However, translating these commitments into concrete actions remains a challenge.
- While many companies have climate transition plans, few have integrated social aspects like workforce upskilling or stakeholder engagement into these plans.
- Reporting and stakeholder engagement processes are still evolving, with opportunities to incorporate Just Transition considerations into existing frameworks like the TCFD.
- Just Transition risk management has been slower to develop, with only half of the companies committed to the UNGP for managing human rights risks. Strengthening adherence to these principles will be a key focus moving forward.

Lessons learned: context-specific and tailored approaches

The Just Transition is highly context-specific and requires a tailored approach. Over the past year, sector-specific and thematic guidance has emerged providing valuable insights for companies, which we have been actively sharing in our engagement. However, defining structured, actionable steps remains challenging, as there is no “one-size-fits-all” solution.

The scope of Just Transition interventions has to be place-based meaning it should consider the unique social, economic, and environmental conditions of affected stakeholders to ensure equitable and context-sensitive solutions during the transition. In addition, it requires system thinking recognizing and addressing the interconnected social, economic, and environmental factors to create holistic, sustainable solutions that balance diverse stakeholder needs and long-term impacts. This should be reflected both internally (collaboration across various E&S&G and other departments) and externally (multi stakeholder engagement) as various roles are required for the Just Transition.

Conclusion and next steps

While progress has been slower than anticipated, companies are moving toward concrete commitments and increased awareness of the Just Transition. The next critical step is in bridging the gap between commitments and tangible outcomes. We expect companies to adopt a structured, place-based and time-bound approach to ensure meaningful progress.

It is essential to emphasize that this issue must not be used as a mechanism for delay or obstruction to wider net zero objectives. Instead, it should serve as a catalyst for accelerating climate action while ensuring that the transition is fair, inclusive and timely.

Given its relevance across all sectors, the engagement program will expand to the financial sector in 2025. This expansion aims to further promote sustainable practices and ensure that financial institutions play a pivotal role in supporting equitable transitions globally.

“A world powered by renewables is a world hungry for critical minerals. For developing countries, critical minerals are a critical opportunity – to create jobs, diversify economies, and dramatically boost revenues. But only if they are managed properly. The race to net zero cannot trample over the poor. The renewables revolution is happening – but we must guide it towards justice.”

UN Secretary-General António Guterres (26 April 2024)

CASE STUDY

Ecosystem engagement: beyond corporate engagement

Ecosystem engagement refers to actively involving all stakeholders, such as governments, businesses, workers, communities, financial institutions, and civil society, in designing and implementing equitable solutions for the shift to a low-carbon economy. It is key to achieving a successful and fair transition.

As such, Robeco has extended our efforts beyond corporate engagement, to also include:

- **Public policy engagement:** Robeco engages with policy makers to support the development of socially conscious transition policies, for example by providing input to consultations (e.g. Transition Planning Guidelines from the Monetary Authority of Singapore)
- **Industry engagement:** Robeco actively participated in industry initiatives such as GFANZ APAC and the Singapore Sustainable Finance Association (SSFA), joining workstreams focusing on developing guidance for financial institutions in the Asia-Pacific region, and continuously seek opportunities to engage collaboratively with other investors
- **Civil society dialogue:** Via international organizations such as the United Nations Development Program (UNDP), Robeco engages with NGOs, trade unions and affected stakeholders at the UN Responsible Business and Human Rights Forum APAC
- **Engagement with subject matter experts:** Robeco has an ongoing dialogue with the London School of Economics' Just Transition Finance Lab and the Asia Pacific Center for Environmental Law at the National University Singapore on evolving developments and guidance
- **Capacity building:** Robeco aims to create more awareness on the topic of Just Transition and the shared responsibility via organizing roundtables for financial institutions in APAC and guest lectures at universities in Singapore and Indonesia.

PROXY VOTING – MARKET INSIGHT

Italy under pressure over controversial corporate governance reform

Diana Trif – Engagement specialist

In March 2024, Italy enacted the controversial Capital Markets Bill, a sweeping corporate governance reform aimed at boosting the competitiveness of its capital markets and preventing delistings. However, the country is now expected to review the new rules after they attracted major criticism from investors and the broader corporate governance community.

WHAT PROMPTED THE CRITICISM?

A weaker voice for minority shareholders

One of the main changes introduced by the Capital Markets Bill concerns voting rights. The bill increased the maximum number of votes that can be attached to multiple voting shares (azioni a voto plurimo) from three to ten. At the same time, it increased the number of votes that may be attached to so-called loyalty shares held by 'long-term' shareholders (voto maggiorato) from two to ten.

These changes raise concerns, as they are contrary to the 'one share, one vote' principle which is widely regarded as best practice. While loyalty shares may appear to promote long-term ownership at first sight, in practice, they tend to further insulate major shareholders from external monitoring, thereby weakening the voice of minority shareholders. In addition, only shareholders holding their shares in registered form receive the additional votes, placing international institutional investors – even those with a long-term investment horizon - at a disadvantage. This is due to various factors, among which the complexity of the registration process for international investors, as well as outflows.

AGMs behind closed doors

A second concern is that the legislation allows listed companies to request shareholder approval to amend their articles of association to hold meetings behind closed doors. In this format, introduced during the Covid-19 pandemic to navigate the restrictions imposed on in-person gatherings, meetings are held with the exclusive participation of a company-designated shareholder representative.

The International Corporate Governance Network (ICGN), led by investors responsible for assets under management of approximately USD 77 trillion, raised concerns regarding the 'closed-door' meeting format in an open letter to Federico Freni, Undersecretary of State to Italy's Ministry of Economy and Finance, noting that it "significantly limits the ability of shareholders, especially minority

shareholders, to interact with boards and management (particularly on contentious proposals), view materials presented at the meeting, ask unmoderated questions, and make statements from the floor." The AGM is a key forum for engagement between companies and their shareholders, and the shareholders' ability to actively participate in the meeting is crucial to constructive dialogue. As such, the hybrid format, which allows investors to opt between attending the meeting in person or virtually, is generally viewed by investors as a better alternative.

An overly complicated director election process

The Capital Markets Bill also introduced significant changes to the process by which an outgoing board of directors may present a slate of candidates for election. There are however many unclarities regarding how the new process will work in practice.

The Bill provides that the list of candidates presented by the outgoing board must include 33% more candidates than the number of board seats to be filled. It appears that if this slate of candidates presented by the outgoing board receives most votes in the shareholders' meeting, an additional vote is held, where shareholders cast their votes on each individual candidate. Candidates obtaining most votes in this additional election win a board seat, provided that at least 20% of the new board members are elected from other lists submitted by shareholders to the meeting.

There are major unclarities regarding this process, for example regarding when and

how the additional vote would take place and how international investors could participate in it. These new procedures appear to have further complicated the voting process for investors, and they may lead to unintended negative consequences.

The race to the bottom

In many jurisdictions, we see policymakers looking to water down investor protections to attract listings. For instance, the UK recently enacted the biggest changes to the country's listing regime in over three decades, including a more lenient approach to dual class share structures, and the removal of important safeguards, such as shareholder approval of significant transactions.

This 'race to the bottom' raises a number of concerns. Institutional investors are increasingly expected to play a crucial role in monitoring companies, yet they need the right tools to fulfill their stewardship responsibilities effectively. Unfortunately, key stewardship tools are now being taken away. At the same time, there is no compelling argument that removing key minority shareholder rights will address the IPO decline. Instead, it is more likely to lead to negative impacts.

The bottom line

Recently, it was reported that Italy is open to reviewing its controversial new rules, which were not subject to a public consultation. We hope that this will indeed be the case, and that revisions will be made to reverse the negative impact on the country's corporate governance system.





“ Institutional investors are increasingly expected to play a crucial role in monitoring companies, yet they need the right tools to fulfill their stewardship responsibilities effectively. Unfortunately, key stewardship tools are now being taken away.


Diana Trif

A photograph of a modern, multi-story building with a glass facade. A walkway with a glass railing runs along the side of the building. Several people in business attire are walking on the walkway. The scene is bright and sunny, with shadows cast on the ground. A large teal shape is overlaid on the top left corner of the image.

Companies under engagement in 2024

Companies under engagement on behalf of St. James's Place

 Environmental	 Environmental
Biodiversity	Net Zero Carbon Emissions
<i>Arcadis NV</i>	<i>Renasas Electronics Corp</i>
<i>Compagnie Generale des Etablissements Michelin SCA</i>	<i>Repsol</i>
<i>Contemporary Ampere Technology Co Ltd</i>	<i>Royal Dutch Shell</i>
<i>Cranswick PLC</i>	<i>Saudi Arabian Oil Co.</i>
<i>Kimberly-Clark Corp</i>	<i>Sumitomo Forestry Co Ltd</i>
<i>Procter & Gamble Co.</i>	<i>Valero Energy Corp.</i>
<i>Sappi Ltd.</i>	<i>Veolia Environnement SA</i>
<i>Signify NV</i>	Ocean Health
<i>VF Corp</i>	<i>Carnival Corp</i>
Climate and Nature Transition of Financial Institutions	<i>Evergreen Marine Corp Taiwan Ltd</i>
<i>Bank of America Corp.</i>	<i>MISC Bhd</i>
<i>Citigroup, Inc.</i>	<i>Royal Caribbean Cruises Ltd</i>
<i>ICICI Bank Ltd</i>	<i>Thai Union Frozen Products Public Co. Ltd.</i>
<i>ING Groep NV</i>	 Social
<i>JPMorgan Chase & Co., Inc.</i>	Diversity and Inclusion
Hazardous Chemicals	<i>Eli Lilly & Co.</i>
<i>3M Co</i>	<i>Oracle Corp</i>
<i>AkzoNobel</i>	Human Rights Due Diligence for Conflict-Affected and High-Risk Areas
<i>Honeywell International</i>	<i>Booking Holdings, Inc.</i>
<i>Saudi Basic Industries Corp</i>	<i>HeidelbergCement AG</i>
Natural Resource Management	<i>Hon Hai Precision Industry Co. Ltd.</i>
<i>Ambev SA</i>	<i>PTT Exploration & Production</i>
<i>CF Industries Holdings, Inc.</i>	<i>Volkswagen</i>
Nature Action 100	Just Transition in Emerging Markets
<i>Ahold</i>	<i>Impala Platinum Holdings Ltd</i>
<i>Alibaba Group Holding Ltd.</i>	<i>Reliance Industries Ltd</i>
<i>Archer Daniels Midland</i>	<i>Tenaga Nasional Bhd</i>
<i>Britannia Industries Ltd</i>	Modern Slavery in Supply Chains
<i>LG Chem</i>	<i>Canon</i>
<i>Sociedad Quimica y Minera SA</i>	<i>General Mills</i>
<i>Wens Foodstuffs Group Co Ltd</i>	<i>Giant Manufacturing Co Ltd</i>
Net Zero Carbon Emissions	<i>Glencore Plc</i>
<i>Accor SA</i>	<i>Mondelez International</i>
<i>Anglo American</i>	<i>Tesla Motors, Inc.</i>
<i>BHP Billiton</i>	<i>The Kroger</i>
<i>CEZ as</i>	<i>Wal-Mart Stores</i>
<i>Chevron</i>	<i>Wesfarmers Ltd</i>
<i>Cummins, Inc.</i>	Sound Social Management
<i>Darling Ingredients Inc</i>	<i>Post Holdings Inc</i>
<i>Doosan Bobcat Inc</i>	<i>Tencent Holdings Ltd.</i>
<i>Dow Inc</i>	 Governance
<i>Duke Energy Corp.</i>	Corporate Governance Standards in Asia
<i>Ecopetrol SA</i>	<i>ROHM Co. Ltd.</i>
<i>Engie SA</i>	Corporate Governance in Emerging Markets
<i>ExxonMobil</i>	<i>Companhia de Concessoes Rodoviaras SA</i>
<i>Fortescue Metals Group Ltd.</i>	<i>CPFL Energia SA</i>
<i>Haier Smart Home Co., Ltd.</i>	<i>ENN Energy Holdings</i>
<i>Holcim AG</i>	<i>Midea Group Co. Ltd.</i>
<i>Hynix Semiconductor, Inc.</i>	Good Governance
<i>JFE Holdings, Inc.</i>	<i>Adyen NV</i>
<i>Mando Corp.</i>	<i>Ahold</i>
<i>Marathon Petroleum Corp.</i>	<i>Airbnb Inc</i>
<i>OMV AG</i>	<i>Arcadis NV</i>
<i>Petroleo Brasileiro</i>	<i>ASML</i>
<i>Phillips 66</i>	<i>DSM-Firmenich AG</i>

Grifols SA
Heineken Holding
Novozymes
ORLEN SA
Signify NV
TravelSky Technology Ltd
Unilever
Tax Transparency
AbbVie, Inc.
Apple
McDonalds
Microsoft
Stellantis NV
Thermo Fisher Scientific, Inc.
 Sustainable Development Goals
Fashion Transition
Adidas
Beiersdorf AG
Brunello Cucinelli SpA
Burberry Group
Cintas Corp.
Compagnie Financiere Richemont
Crocs Inc
Deckers Outdoor Corp
Eclat Textile Co Ltd
EssilorLuxottica SA
Estee Lauder Cos Inc/The
Hermes International SCA
HUGO BOSS AG
JD Sports Fashion PLC
Kering
Levi Strauss & Co
Lojas Renner SA
Lululemon Athletica Inc
LVMH Moet Hennessy Louis Vuitton
MercadoLibre Inc
Moncler SpA
NIKE
Puma
Ross Stores Inc
Shiseido Co Ltd
Silgan Holdings Inc
Symrise AG
The TJX Cos.
Watches of Switzerland Group PLC
Zalando SE
Zebra Technologies Corp
SDG Engagement
AbbVie, Inc.
Adobe Systems, Inc.
Alphabet, Inc.
Amazon.com, Inc.
Amgen
Apple
Banco BTG Pactual S.A.
Capital One Financial Corp.
CB Richard Ellis Group, Inc.
Cheniere Energy Inc
Deutsche Boerse

Elevance Health Inc
Grupo Bimbo SAB de CV
Haleon PLC
Infosys Ltd
Jeronimo Martins
LyondellBasell Industries NV
Meta Platforms Inc
Motorola
Mr. Price Group Ltd.
NASDAQ OMX Group, Inc.
Novartis
OTP Bank Nyrt
Rio Tinto
Salesforce.com, Inc.
Samsung Electronics
Sony
STMicroelectronics NV
Sumitomo Mitsui Financial Group, Inc.
Total
Trane Technologies PLC
Volvo Group
 Voting Related
AGM engagement 2024
Banco Bilbao Vizcaya Argentaria SA
Cisco Systems
DocuSign Inc
Enagas SA
Itron, Inc.
White Mountains Insurance Group Ltd
Wolters Kluwer
Xerox Holdings Corporation
 Enhanced
Acceleration to Paris
African Rainbow Minerals Ltd
Aluminum Corp of China Ltd
Anhui Conch Cement Co. Ltd.
Berkshire Hathaway
Caterpillar, Inc.
China Longyuan Power Group Corp Ltd
China National Building Material Co. Ltd.
China State Construction Engineering Corp Ltd
Continental Resources, Inc.
Mitsui & Co Ltd
SAIC Motor Corp Ltd
Sany Heavy Industry Co Ltd
WH Group Ltd. (HK)
Global Controversy Engagement
Adani Enterprises Ltd.
Lockheed Martin Corp
Raytheon Technologies Corp
Palm Oil
Wilmar International

APPENDIX

Robeco's approach to Active Ownership

ROBECO'S ENGAGEMENT POLICY

Robeco actively uses its ownership rights to engage with companies on behalf of our clients in a constructive manner. We believe improvements in sustainable corporate behavior can result in an improved risk return profile of our investments. Robeco engages with companies worldwide, in both our equity and credit portfolios. Robeco carries out three different types of corporate engagement with the companies in which we invest;

Value engagement

a proactive engagement approach focusing on long-term environmental, social or corporate governance issues that are financially material or are causing adverse sustainability impacts. Engagements typically last for three years, after which progress against initially set objectives are evaluated, with unsuccessful closures being communicated to clients and investment teams but no divestment decision to follow.

Voting Related AGM engagement: Voting at the Annual General Meetings (AGM) of shareholders offers shareholders the opportunity to provide direct feedback to a company - either in advance or after a company's AGM. These dialogues are not recurring long-term engagements, but unique opportunities to amplify the impact of our voting decisions. Corporate governance as well as other sustainability topics that may arise during a shareholder meeting are covered under this section, if they are not covered in other parts of the engagement program.

SDG engagement

a proactive engagement approach focusing on driving clear and measurable improvements in a company's contribution to one or multiple of the Sustainable Development Goals. The engagement, lasting for three to five years, has its starting point within Robeco's SDG framework, identifying companies with the potential to meet key societal needs and works with timebound milestones to fulfil this potential.

Enhanced engagement

a reactive engagement approach, focusing on companies that severely and structurally breach minimum behavioral norms in areas such as human rights, labor, environment, biodiversity and business ethics, as defined by the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises. If after two to three years, the enhanced engagement does not lead to the desired change, exclusion from the investment universe may be a potential option. Clients may use their own discretion on whether to exclude a company from their investment universe. In all three types of engagement, Robeco aims to improve a company's behavior on environmental, social and/or corporate governance (ESG) related issues with the aim of improving the long-term performance of the company and ultimately the quality of investments for our clients.

More information can be found on our website.

Robeco adopts a holistic approach to integrating sustainability. We view sustainability as a long-term driver of change in markets, countries and companies which impacts future performance. Based on this belief, sustainability is considered as one of the value drivers in our investment process, like the way we look at other drivers such as company financials or market momentum.

More information can be found on our website.

THE UN GLOBAL COMPACT

One of the principal codes of conduct in Robeco's engagement process is the United Nations Global Compact. The UN Global Compact supports companies and other social players worldwide in stimulating corporate social responsibility. The Global Compact became effective in 2000 and is the most endorsed code of conduct in this field. The Global Compact requires companies to embrace, support and adopt several core values within their own sphere of influence in the field of human rights, labor standards, the

environment and anti-corruption measures. Ten universal principles have been identified to deal with the challenges of globalization.

Human rights

1. Companies should support and respect the protection of human rights as established at an international level
2. They should ensure that they are not complicit in human-rights abuses.

Labor standards

3. Companies should uphold the freedom of association and recognize the right to collective bargaining
4. Companies should abolish all forms of compulsory labor
5. Companies should abolish child labor
6. Companies should eliminate discrimination in employment.

Environment

7. Companies should adopt a prudent approach to environmental challenges
8. Companies should undertake initiatives to promote greater environmental responsibility
9. Companies should encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

10. Companies should work against all forms of corruption, including extortion and bribery.

More information can be found at: <https://www.unglobalcompact.org/>

OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES

The OECD Guidelines for Multinational Enterprises are recommendations addressed by governments to multinational enterprises operating in or from adhering countries, and are another important framework used in Robeco's engagement process. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognized standards.

The Guidelines' recommendations express the shared values of the governments of countries from which a large share of international direct investment originates and which are home to many of the largest multinational enterprises. The Guidelines aim to promote positive contributions by enterprises to economic, environmental and social progress worldwide.

More information can be found at: <http://mneguidelines.oecd.org/>

INTERNATIONAL CODES OF CONDUCT

Robeco has chosen to use broadly accepted external codes of conduct in order to assess the ESG responsibilities of the entities in which we invest. Robeco adheres to several independent and broadly accepted codes of conduct, statements and best practices and is a signatory to several of these codes. Next to the UN Global Compact, the most important codes, principles, and best practices for engagement followed by Robeco are:

- International Corporate Governance Network (ICGN) statement on
- Global Governance Principles
- United Nations Global Compact
- United Nations Sustainable Development Goals
- United Nations Guiding Principles on Business and Human Rights

- OECD Guidelines for Multinational Enterprises
- Responsible Business Conduct for Institutional Investors (OECD)

In addition to our own adherence to these codes, we also expect companies to follow these codes, principles, and best practices. In addition to our own adherence to these codes, we also expect companies to follow these codes, principles, and best practices.

ROBECO'S VOTING POLICY

Robeco encourages good governance and sustainable corporate practices, which contribute to long-term shareholder value creation. Proxy voting is part of Robeco's Active Ownership approach. Robeco has adopted written procedures reasonably designed to ensure that we vote proxies in the best interest of our clients. The Robeco policy on corporate governance relies on the internationally accepted set of principles of the International Corporate Governance Network (ICGN). By making active use of our voting rights, Robeco can, on behalf of our clients, encourage the companies concerned to increase the quality of the management of these companies and to improve their sustainability profile. We expect this to be beneficial in the long term for the development of shareholder value.

COLLABORATION

Where necessary, Robeco coordinates its engagement activities with other investors. Examples of this includes Eumedion; a platform for institutional investors in the field of corporate governance and the Carbon Disclosure Project, a partnership in the field of transparency on CO₂ emissions from companies, and the ICCR. Another important initiative to which Robeco is a signatory is the United Nations Principles for Responsible Investment. Within this context, institutional investors commit themselves to promoting responsible investment, both internally and externally.

ROBECO'S ACTIVE OWNERSHIP TEAM

Robeco's voting and engagement activities are carried out by a dedicated Active Ownership Team. This team was established as a centralized competence center in 2005. The team is based in Rotterdam, the Netherlands, and Hong Kong. As Robeco operates across markets on a global basis, the team is multi-

national and multi-lingual. This diversity provides an understanding of the financial, legal and cultural environment in which the companies we engage with operate. The Active Ownership team is part of Robeco's Sustainable Investing Center of Expertise headed by Carola van Lamoen. The SI Center of Expertise combines our knowledge and experience on sustainability within the investment domain and drives SI leadership by delivering SI expertise and insights to our clients, our investment teams, the company and the broader market. Furthermore, the Active Ownership team gains input from investment professionals based in local offices of the Robeco around the world. Together with our global client base we are able leverage this network to achieve the maximum possible impact from our Active Ownership activities.

Important information

Robeco Institutional Asset Management B.V. has a license as manager of Undertakings for Collective Investment in Transferable Securities (UCITS) and Alternative Investment Funds (AIFs) ("Fund(s)") from the Netherlands Authority for the Financial Markets in Amsterdam. This marketing document is intended solely for professional investors, defined as investors qualifying as professional clients, who have requested to be treated as professional clients or are authorized to receive such information under any applicable laws. Robeco Institutional Asset Management B.V. and/or its related, affiliated and subsidiary companies, ("Robeco"), will not be liable for any damages arising out of the use of this document. Users of this information who provide investment services in the European Union have their own responsibility to assess whether they are allowed to receive the information in accordance with MiFID II regulations. To the extent this information qualifies as a reasonable and appropriate minor non-monetary benefit under MiFID II, users that provide investment services in the European Union are responsible for complying with applicable recordkeeping and disclosure requirements. The content of this document is based upon sources of information believed to be reliable and comes without warranties of any kind. Without further explanation this document cannot be considered complete. Any opinions, estimates or forecasts may be changed at any time without prior warning. If in doubt, please seek independent advice. This document is intended to provide the professional investor with general information about Robeco's specific capabilities but has not been prepared by Robeco as investment research and does not constitute an investment recommendation or advice to buy or sell certain securities or investment products or to adopt any investment strategy or legal, accounting or tax advice. All rights relating to the information in this document are and will remain the property of Robeco. This material may not be copied or shared with the public. No part of this document may be reproduced or published in any form or by any means without Robeco's prior written permission. Investment involves risks. Before investing, please note the initial capital is not guaranteed. Investors should ensure they fully understand the risk associated with any Robeco product or service offered in their country of domicile. Investors should also consider their own investment objective and risk tolerance level. Historical returns are provided for illustrative purposes only. The price of units may go down as well as up and past performance is no guarantee of future results. If the currency in which the past performance is displayed differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency. The performance data do not take account of the commissions and costs incurred when trading securities in client portfolios or for the issue and redemption of units. Unless otherwise stated, performances are i) net of fees based on transaction prices and ii) with dividends reinvested. Please refer to the prospectus of the Funds for further details. Performance is quoted net of investment management fees. The ongoing charges mentioned in this document are the ones stated in the Fund's latest annual report at closing date of the last calendar year. This document is not directed to or intended for distribution to or for use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, document, availability or use would be contrary to law or regulation or which would subject any Fund or Robeco Institutional Asset Management B.V. to any registration or licensing requirement within such jurisdiction. Any decision to subscribe for interests in a Fund offered in a particular jurisdiction must be made solely on the basis of information contained in the prospectus, which information may be different from the information contained in this document. Prospective applicants for shares should inform themselves as to legal requirements which may also apply and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile. The Fund information, if any, contained in this document is qualified in its entirety by reference to the prospectus, and this document should, at all times, be read in conjunction with the prospectus. Detailed information on the Fund and associated risks is contained in the prospectus. The prospectus and the Key Information Document (PRIIP) for the Robeco Funds can all be obtained free of charge from Robeco's websites.

Additional Information for US investors

Robeco is considered "participating affiliate" and some of their employees are "associated persons" of Robeco Institutional Asset Management US Inc. ("RIAM US") as per relevant SEC no-action guidance. Employees identified as associated persons of RIAM US perform activities directly or indirectly related to the investment advisory services provided by RIAM US. In those situations these individuals are deemed to be acting on behalf of RIAM US, a US SEC registered investment adviser. SEC regulations are applicable only to clients, prospects and investors of RIAM US. RIAM US is a wholly owned subsidiary of ORIX Corporation Europe N.V. and offers investment advisory services to institutional clients in the US.

Additional Information for investors with residence or seat in Canada

No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein, and any representation to the contrary is an offence. Robeco Institutional Asset Management B.V. relies on the international dealer and international adviser exemption in Quebec and has appointed McCarthy Tétrault LLP as its agent for service in Quebec.