

## 5. REGIONAL BOND SUB-FUNDS

### a) Robeco Euro Government Bonds

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Robeco Euro Government Bonds

**Legal entity identifier:** 2138004UVBQIDUAW9R66

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**



Yes



No

☐ It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**



**What environmental and/or social characteristics are promoted by this financial product?**

The Sub-fund has the following E/S characteristics:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

1. The Sub-fund promotes certain minimum environmental and social safeguards through applying exclusion criteria with regards to products and business practices that Robeco believes are detrimental to society and incompatible with sustainable investment strategies. Robeco deems investing in government bonds (federal or local) of countries where serious violations of human rights or a collapse of the governance structure take place as unsustainable. In addition, Robeco will follow applicable sanctions of the UN, EU or US to which it is subject and follows any mandatory (investment) restrictions deriving therefrom.
2. The Sub-fund promotes investment in countries that perform well on the RobecoSAM Country Sustainability Ranking. The RobecoSAM Country Sustainability Ranking incorporates a wide range of ESG factors such as aging, corruption, social unrest, political risks and environmental risks.
3. The Sub-fund aims to contribute to the United Nations Sustainable Development Goals by investing in green, social, sustainability and/or sustainability-linked bonds that are used to finance environmental and social projects.
4. The Sub-fund promotes investment in countries with policies and institutional frameworks to prevent and combat corruption.

There is no reference benchmark designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Sub-fund has the following sustainability indicators:

1. The % of investments in securities that are on Robeco's Exclusion list as result of the application of Robeco's Exclusion Policy.
2. The weighted average score on Robeco's Country Sustainability Ranking.
3. The % of the Sub-fund invested in green, social, sustainability and/or sustainability-linked bonds.
4. The % of investments excluded based on the Worldwide Governance Indicators (WGI) - Control of Corruption ranking.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Sub-fund invests in Green bonds, Social bonds, Sustainable bonds and/or Sustainability-linked bonds used to finance environmental and social projects. A description of Green bonds, Social Bonds, Sustainable bonds and Sustainability-linked bonds is included in the Glossary of Defined Terms section of this Prospectus.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The sustainable investments do no significant harm to any environmental or social sustainable investment objective by applying Robeco's ESG bond eligibility frameworks in the selection process. Robeco's ESG bond eligibility frameworks require that international norms related to social and governance issues are met. Under the frameworks, ESG bond investments are assessed on (i) social safeguards – the issuer respects international Human and Labor Rights, (ii) controversial behavior – the issuer is not in violation of the UN Global Compact, and (iii) sanctions – the issuer is not subject to international sanctions.

To identify whether an issuer is involved in a controversy, ratings and data from external providers are used to aid our in-house monitoring. If a controversy is found, the analyst determines whether this has material impacts on the ESG bond analysis and/or the SDG score. If the controversy is deemed material, the issuer receives a negative SDG Score and the investment is not sustainable.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

For sustainable investments that are either Green, Social, Sustainability or Sustainability-linked bonds, significant harm is avoided by the application of Robeco's green, social, sustainability or sustainability-linked bond eligibility framework. As a result, the following adverse impacts are taken into account during the investment analysis as part of Robeco's green, social, sustainability or sustainability-linked bond eligibility frameworks:

- Table 1, PAI 15 (GHG intensity)
- Table 1, PAI 16 (Investee countries subject to social violations)
- Table 2, PAI 17 (Share of bonds not certified as green under a future EU act setting up an EU Green Bond Standard)

As a first step, ESG bonds are assessed in their alignment with standards or principles that exist in the market, such as the International Capital Market Association (ICMA) Green bond principles, the Climate bond initiative (CBI) or international standards as the EU Green Bond Standard (Table 2, PAI 17). As a second step, amongst others, GHG intensity (Table 1, PAI 15) is assessed in the project evaluation that considers the allocation of proceeds. In addition, the ESG bonds are assessed on their compliance with international norms related to social and governance issues (in relation to Table 1, PAI 16). A detailed description of the incorporation of principal adverse impacts is available via Robeco's Principal Adverse Impact Statement published on the Robeco website (<https://www.robeco.com/docm/docu-robeco-principal-adverse-impact-statement.pdf>).

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

As the Sub-fund invest in sovereigns and supranationals, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are not applicable.

***The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.***

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

***Any other sustainable investments must also not significantly harm any environmental or social objectives.***



## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, \_\_\_\_\_

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Sub-fund considers principal adverse impacts on sustainability factors as referred to in Annex 1 of the SFDR Delegated Act.

Pre-investment, the following principal adverse impacts on sustainability factors are considered:

As part of Country Sustainability ranking, used for The Sub-fundamental analysis of bonds, the following PAIs are considered:

- Table 1, PAI 15 (GHG intensity)
- Table 1, PAI 16 (Investee countries subject to social violations)

In addition, the Sub-fund has E/S promoting characteristics in relation to:

- Table 2, PAI 17 (Share of bonds not certified as green under a future EU act setting up an EU Green Bond Standard)
- Table 3, PAI 21 (Control of Corruption)

Post-investment, the following principal adverse impacts on sustainability factors are taken into account:

- Table 1, PAI 15 (GHG intensity), via Robeco's engagement program

More information is available via Robeco's Principal Adverse Impact Statement, published on Robeco's website. The Sub-fund will periodically report how it has considered the principal adverse impacts of its investments in the Company's annual report, which will be made available each year on or before 30 April at the Sub-fund page highlighted in final section of this document.

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment

Robeco Euro Government Bonds is an actively managed fund that invests predominantly in euro government bonds. The selection of these bonds is based on fundamental analysis as described in the Investment policy strategy paragraph in Appendix I of this Prospectus. The strategy integrates sustainability indicators on a continuous basis as part of the bond selection process. Amongst others, the Sub-fund applies country-based exclusions, Robeco's good governance policy, Robeco's SDG

## objectives and risk tolerance.

framework and considers Principal Adverse Impacts in the investment process. More product-specific information can be found on our website and the links provided in the final question of this disclosure.

### ● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Sub-fund has the following binding elements:

1. The Sub-fund's portfolio complies with Robeco's Exclusion Policy (<https://www.robeco.com/docm/docu-exclusion-policy.pdf>) that is based on exclusion criteria that Robeco believes are detrimental to society and incompatible with sustainable investment strategies. This means that the Sub-fund has 0% exposure to excluded securities, taking into account a grace period. Information with regards to the materiality of the exclusions on the Sub-fund's universe can be found at <https://www.robeco.com/docm/docu-exclusion-list.pdf>.
2. The Sub-fund's portfolio has a minimum weighted average score of at least 6.5 on Robeco's Country Sustainability Ranking.
3. The Sub-fund invests a minimum of 10% in green, social, sustainability and/or sustainability-linked bonds.
4. The Sub-fund excludes sovereign bonds issued by the bottom 15% of the Worldwide Governance Indicators (WGI) - Control of Corruption ranking.

### ● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Sub-fund does not commit to a minimum rate to reduce the scope of investments prior to the application of the investment strategy.

### ● ***What is the policy to assess good governance practices of the investee companies?***

**Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.**

Robeco has a Good Governance policy to assess governance practices of companies. The policy describes how Robeco determines if and when a company does not follow good governance practices and is therefore excluded from the initial investment universe for Article 8 and 9 products. Robeco's Good Governance policy applies to the Sub-fund and tests on a set of governance criteria that reflect widely recognized industry established norms and include topics as employee relations, management structure, tax compliance and remuneration.

The Good Governance test consists of criteria on such topics that are examined for investee companies and further explained in Robeco's Good Governance policy <https://www.robeco.com/docm/docu-robeco-good-governance-policy.pdf>. Additionally, the companies that do not pass the good governance test are reflected in the exclusion list that can be accessed here - <https://www.robeco.com/docm/docu-exclusion-list.pdf>.



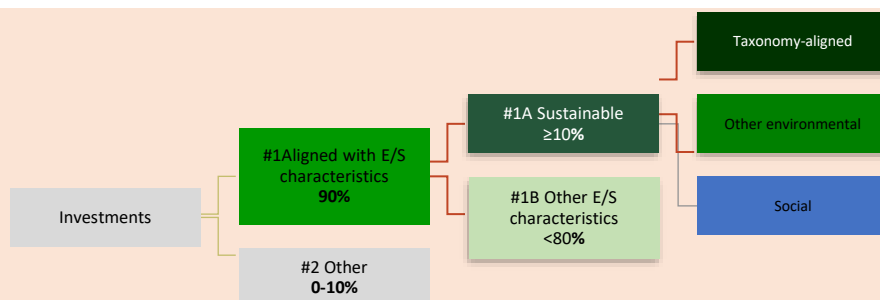
## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

At least 90% of the investments are aligned with the E/S characteristics of the Sub-fund. The Sub-fund plans to make a minimum of 10% sustainable investments, measured by the investments in Green, or Sustainable Bonds. The investments in the category Other, estimated between 0-10%, are mostly in cash, cash equivalents and derivatives as further described below. The planned asset allocation is monitored continuously, and evaluated on a yearly basis.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

## How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Sub-fund does not make use of derivatives to attain the environmental or social characteristics promoted by the financial product. The Sub-fund may make use of derivatives for hedging, liquidity management and efficient portfolio management as well as investment purposes in the global fixed income, money market, interest rates and currency markets. In case the Sub-fund uses derivatives, the underlying shall comply with the investment policy of the Sub-fund. Where relevant, minimum environmental or social safeguards are taken into account as described below.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-fund intends to contribute to the environmental objectives under the EU Taxonomy, given the planned investments in Green bonds. The Sub-fund commits to a minimum share of 0% of Taxonomy-aligned activities. The Sub-fund intends to increase the minimum share of Taxonomy aligned activities for the Sub-fund once data availability in relation to the EU Taxonomy for Green bonds improves and stabilizes.

The Sub-fund will report on Taxonomy-aligned investment in the periodic disclosures, based on use of proceeds. Given the lack of data on the EU Taxonomy for green bonds in the market, Robeco relies on

internal analysis for the time being. EU Taxonomy-alignment data is not yet subject to a review by third parties. The expected level of alignment with and without sovereign bonds is the same.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>86</sup>?**

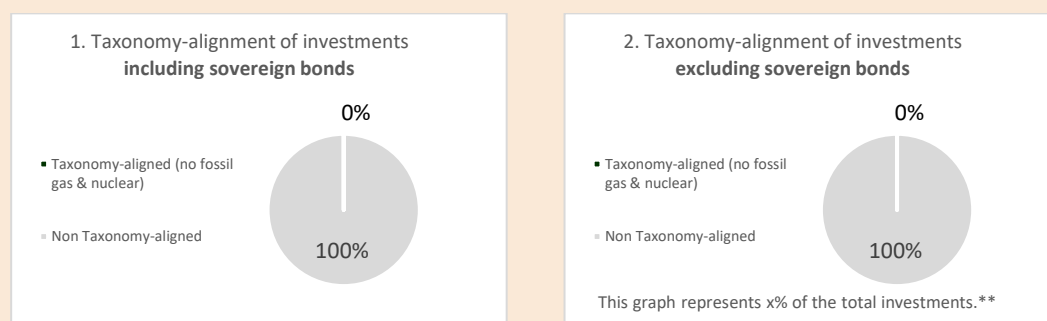
☐ Yes

☐ In fossil gas

☐ In nuclear energy

☒ No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* As the investments are not Taxonomy-aligned, the exclusion of sovereign bonds has no impact on the graph and therefore no such percentage is shown here.

● **What is the minimum share of investments in transitional and enabling activities?**

0%.



● **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Green bonds may invest (part of) their use of proceeds in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy, however the Sub-fund does not intend to set a minimum target. While the sum of sustainable investments with an environmental objective and socially sustainable investments always adds up to the Sub-fund's minimum proportion of 10% sustainable investments, we do not commit to a minimum share of sustainable investments with an environmental objective because the Sub-fund's investment strategy does not have a specific environmental investment objective. Therefore, the minimum share of sustainable investments with an environmental objective is 0%.

<sup>86</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.





are sustainable investments with an environmental objective that **do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.**



### What is the minimum share of socially sustainable investments?

Social, sustainable or sustainability-linked bonds may invest (part of) their use of proceeds in economic activities that contribute to a social objective, however the Sub-fund does not intend to set a minimum target. While the sum of socially sustainable investments and sustainable investments with an environmental objective always adds up to the Sub-fund's minimum proportion of sustainable investments, we do not commit to a minimum share of socially sustainable investments because the Sub-fund's investment strategy does not have a specific socially sustainable investment objective. Therefore, the minimum share of socially sustainable investments is 0%.



### What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The type of instruments included under "#2 Other" and their purpose are outlined in Annex I of this Prospectus under the header 'Financial instruments and investment restrictions'. They include cash, cash equivalents, as well as investment funds and eligible asset classes (other than bonds and equities) that do not specifically promote E/S characteristics. As indicated above, the Sub-fund does not make use of derivatives to attain the environmental or social characteristics promoted. The Sub-fund may make use of derivatives, which thus always fall under the category "#2 Other", for hedging, liquidity management and efficient portfolio management as well as investment purposes. Exchange traded and over-the-counter derivatives are permitted, including but not limited to futures, swaps, options and currency forwards. In case the Sub-fund uses derivatives, the underlying shall comply with the investment policy. Where relevant, minimum environmental or social safeguards are taken into account, by, for example, applying Robeco's Exclusion Policy for any single security derivative.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



### Where can I find more product specific information online?

- **More product-specific information can be found on the website:**  
<https://www.robeco.com/en/funds/>
- Robeco's PAI Statement can be accessed via the following link:  
<https://www.robeco.com/docm/docu-robeco-principal-adverse-impact-statement.pdf>



- Robeco's Good Governance test can be accessed via the following link:  
<https://www.robeco.com/docm/docu-robeco-good-governance-policy.pdf>
- Robeco's SDG framework  
<https://www.robeco.com/docm/docu-robeco-explanation-sdg-framework.pdf>
- Robeco's sustainability risk policy  
<https://www.robeco.com/docm/docu-robeco-sustainability-risk-policy.pdf>