

Media Release

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RobecoSAM Develops “Smart ESG” Methodology and Launches Global Child Impact and Global Gender Equality Impact Strategies

- **New “Smart ESG” methodology identifies sustainability information as an investment factor**
- **Impact Investing platform expanded: new solutions invest in companies that specifically consider children’s rights and corporate gender equality**
- **Existing and new solutions conform to the UN’s latest sustainable development goals**

RobecoSAM, the investment specialist focused exclusively on Sustainability Investing (SI), today unveiled three innovations before more than 360 participants from around the world at its annual RobecoSAM Forum. The “Smart ESG” methodology, which identifies sustainability information as an investment factor with a positive information ratio was launched along with two new investment solutions that specifically consider children’s rights and corporate gender equality. RobecoSAM thus continues to expand its Impact Investing platform, launched in April, by offering solutions to investors looking for investments that deliver financial returns as well as measurable positive social impact.

Michael Baldinger, CEO, RobecoSAM: “The development of the Smart ESG methodology and our impact investing solutions underscores RobecoSAM’s strength in innovation. For the past 20 years, we have been developing investment tools that offer an attractive risk/return profile while helping to preserve our environment for future generations. We can draw strong parallels between the sustainability goals to be adapted by the UN in the coming days and the goals of our own existing and new solution set. This is a clear reaffirmation of our leading position as the global leader in Sustainability Investing.”

“Smart ESG”: Eliminating biases and focusing on the financial materiality of ESG data

The “Smart ESG” methodology is RobecoSAM’s latest innovation. It reduces biases in ESG data sets and emphasizes specific ESG criteria to build portfolios with a favorable risk/return profile. As a result, sustainability information can be identified as a factor in portfolio construction, like conventional factors (e.g., value or momentum). The sustainability factor which RobecoSAM has determined offers an attractive information ratio and is already being applied to selected solutions. Further applications will follow.

Daniel Wild, PhD, Head of SI Research & Development, RobecoSAM: “Conventional ESG integration models are limited by the bias of the underlying data. This can lead to unintentional risks in the portfolio, lead to distortions and entail an overlay of financially material information. With the Smart ESG methodology, we can eliminate these biases and identify sustainability information as a factor for the portfolio construction. This factor has a very low correlation with other factors, offers an attractive risk/return profile and is easy to apply.”

Investment process of the Global Child Impact and Global Gender Equality Impact investment strategies

Both investment strategies are based on bottom-up stock selection, which alongside the financial attractiveness of a company also considers its endeavors regarding children’s rights and gender equality. At the heart of both investment strategies lie the “Global Child” and “Gender Equality” company ratings generated by RobecoSAM’s ESG-database, which monitors over 3,000 companies.

Rainer Baumann, Head of Public Equities, RobecoSAM: “Diversity has become increasingly important to companies and their stakeholders over the past few years. Aside from a higher proportion of female board members, this includes such issues as equal and fair pay as well as talent management and fostering. Our

strategies invest in companies that excel in these areas while at the same time offering high long-term performance potential. ”

Advancing the Impact Investing platform

The Global Child Impact and Global Gender Equality Impact investment strategies are new investment solutions within the framework of RobecoSAM’s suite of Impact Investing solutions. They follow the recent launch of the “Environmental Impact Monitoring tool”, which enables institutional investors to quantify and optimize the environmental impact of their equity and corporate bond portfolios, and to communicate this impact to key stakeholders.

Useful links

[Smart ESG Integration](#): Factoring in Sustainability. Study by Steven Bacon and Arnfried Ossen, RobecoSAM Quantitative Research



Investment solutions based on the Smart ESG methodology will be labelled accordingly.

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About RobecoSAM

Founded in 1995, RobecoSAM is an investment specialist focused exclusively on Sustainability Investing. It offers asset management, indices, engagement, voting, impact analysis, sustainability assessments, and benchmarking services. Asset management capabilities cater to institutional asset owners and financial intermediaries and cover a range of ESG-integrated investments (in public and private equity), featuring a strong track record in resource efficiency theme strategies. Together with S&P Dow Jones Indices, RobecoSAM publishes the globally recognized Dow Jones Sustainability Indices (DJSI). Based on its Corporate Sustainability Assessment (CSA), an annual ESG analysis of 2,900 listed companies, RobecoSAM has compiled one of the world’s most comprehensive databases of financially material sustainability information. The data of the CSA is also included in USD 89.8 billion of assets under management by Robeco.

RobecoSAM is a member of the global pure-play asset manager Robeco, which was established in 1929 and is the center of expertise for asset management within the ORIX Corporation. As a reflection of its own commitment to advocating sustainable investment practices, RobecoSAM is a signatory of the UNPRI and a member of Eurosif, ASRIA and Ceres. Approximately 130 professionals work for RobecoSAM, which is headquartered in Zurich. As of March 31, 2015, RobecoSAM had assets under management, advice and/or license in listed and private equity* of approximately USD 10 billion. Additionally, RobecoSAM’s Governance & Active Ownership team** had USD 82 billion of assets under engagement and USD 50 billion of assets under voting.

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