

# ENVIRONMENTAL, SOCIAL, AND CORPORATE GOVERNANCE POLICY

## OVERVIEW

ROBO Global<sup>®</sup> is committed to maintaining and improving a research and investment approach that incorporates Environmental, Social and Corporate Governance (ESG) aspects. Our Environmental, Social, and Corporate Governance Policy represents our current approach and is expected to evolve over time. ROBO Global's research and investment professionals are responsible for the careful observation and analysis of ESG aspects for each company considered for potential investment or index inclusion according to the following ESG policy:

### ROBO GLOBAL ESG POLICY

Following critical observations, ROBO Global may exclude companies from its indices if there is an unacceptable risk that the company may contribute to or be responsible for serious human rights violations, severe environmental damage, and/or other particularly serious violations of fundamental ethical norms, including the production of weapons that violate fundamental humanitarian principles through their normal use.

## BACKGROUND

Robotics, automation and artificial intelligence (RAAI) is a major growth trend happening right now. The benefits and efficiencies from RAAI will positively impact many aspects of our business, service and consumer lives. Globally we are faced with many social challenges including: aging populations, healthcare systems at capacity, dangerous pollution levels, over-demand for scarce resources, increasing wage inflation and general safety/health concerns. At its core RAAI is about tackling many of these social challenges by creating efficiencies and flexibility, and assisting human safety and general wellbeing.

Examples where RAAI is already in use include: care for our elderly, improved productivity of farmland, drones assisting in search and rescue missions, the education of children through home companion robots, helping injured or disabled people walk using exoskeletons, inspection of bridges and deep-ocean facilities and pipelines with drones, and the 3D printing of prosthetic limbs. These are all areas of daily life where RAAI is already driving great improvements in efficiency, safety, quality of life, and sustainability at reduced costs.

Technologies such as machine vision, motion sensors, artificial intelligence, and navigation algorithms are enabling robots to perform increasingly sophisticated and delicate knowledge-based work and improve the levels of automation. This widens robots' use to an incredible array of products and services that will continue to benefit society at large. For investors and society, the biggest gains and benefits in robotics and automation still lie ahead, both financially and socially.

In the absence of a benchmark industry classification system for identifying companies engaged in the global RAAI industry, the ROBO Global Industry Classification was created by ROBO Global in consultation with industry experts from its Advisory Board.

The ROBO Global Industry Classification identifies sub-sectors of high relevance and high growth to the RAAI Industry, and will expand over time. These sub-sectors are intended to capture companies throughout the “value chain.” The value chain includes not just the manufacturing and deployment of robots and automated systems, but also the accompanying enabling technologies such as sensing, computing, software, and motion control, among others. To be eligible for potential index inclusion, companies must pass through a series of screens within the ROBO Global Industry Classification, which includes this ESG policy.

## POLICY GUIDELINES

ROBO Global is committed to responsible investment and encourages its partners to do the same. We believe that ESG issues can be important drivers of long-term shareholder value creation and that companies that successfully manage ESG risks may deliver risk-adjusted outperformance.

ESG aspects are systematically incorporated into ROBO Global’s analysis and industry classification inclusion process. Our research and investment professionals utilize internal and external tools and resources to analyze ESG aspects. Corporate governance standards and best practices vary significantly around markets and regions of the world. Our approach reflects the widely accepted standards of the Organisation for Economic Co-operation and Development (OECD) Principles of Corporate Governance, as well as the United Nations Principles of Responsible Investment (UN PRI).

## IMPLEMENTATION

ESG-related decisions are made by the ROBO Global team with oversight from the Industry Classification Committee.

The Industry Classification Committee assesses on a quarterly basis whether the basis for inclusion or exclusion in the Industry Classification still exists and, based on that assessment, may recommend that a prior inclusion or exclusion decision be revoked based on this ESG policy. In assessing such risk, we include the probability of future norm violations, the severity and extent of the violations, and the connection between the norm violations and the company. ROBO Global publishes its decisions pursuant to these guidelines in its quarterly index rebalancing updates.

The ROBO Global ESG policy has been adopted by the ROBO Global management team and is a continuous and long-term process that will evolve over time to reflect further enhancements.

Copyright © 2018 by ROBO Global, LLC. All rights reserved. ROBO Global® is a registered trademark of ROBO Global, LLC. ROBO Global, LLC is referred to as "ROBO."

Redistribution, reproduction and/or photocopying of this document in whole or in part are prohibited without written permission. This document does not constitute an offer of services in jurisdictions where ROBO does not have the necessary licenses. All information provided by ROBO is impersonal and not tailored to the needs of any person, entity or group of persons.

The ROBO Global® Robotics and Automation Index and the ROBO Global® Robotics and Automation UCITS Index (the "Indices") are the property of ROBO, who have contracted with Solactive AG to calculate and maintain the Indices. The Indices are not sponsored by Solactive AG or its affiliates. Neither Solactive AG nor any of their affiliates will be liable for any errors or omissions in calculating the Indices. Closing prices for the Indices are calculated by Solactive AG based on the closing price of the individual constituents of the index as set by their primary exchange. Historical performance illustrations in the Indices are based on a backcast calculation. A backcast calculation can be materially different from a backtest analysis.

Past performance of an index is not a guarantee of future results. The value of investments may go up or down and potential investors may not get back the amount originally invested. It is not possible to invest directly in an index. Exposure to an asset class represented by an index is available through investable instruments based on that index. ROBO makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. A decision to invest in any such investment fund or other investment vehicle should not be made in reliance on any of the statements set forth in this document. ROBO is not in a position to give advice on the suitability of any investments for potential investors. Prospective investors are advised to make an investment in any such fund or other vehicle only after carefully considering the risks associated with investing in such funds, as detailed in an offering memorandum or similar document that is prepared by or on behalf of the issuer of the investment fund or other vehicle. Inclusion of a security within an index is not a recommendation by ROBO to buy, sell, or hold such a security, nor is it considered to be investment advice.

It is not intended that anything stated in this factsheet should be construed as an offer or invitation to buy or sell any investment in any Investment Fund or other investment vehicle referred to in this website, or for potential investors to engage in any investment activity.

No Investment Fund or other investment vehicle based on the Indices is sponsored, promoted, sold or supported in any other manner by ROBO or Solactive AG (the "Index Parties") nor do the Index Parties offer any explicit or implicit guarantee or assurance either with regard to the results of using the Indices and/or an Index trademark or an Index price at any time or in any other respect. The Index Parties use their best efforts to ensure that the Indices are calculated correctly. Irrespective of their obligations towards the Company, the Index Parties have no obligation to point out errors in the Indices to third parties including but not limited to investors in, and/or financial intermediaries of, any Investment Funds or other investment vehicles. Neither publication of the Indices by Solactive AG nor the licensing of the Indices or an Index trademark by ROBO for the purpose of use in connection with any Investment Fund or other investment vehicle based on the Indices constitutes a recommendation by the Index Parties to invest capital in any such fund or investment vehicle nor does it in any way represent an assurance or opinion of the Index Parties with regard to any investment in such fund or investment vehicle.

These materials have been prepared solely for informational purposes based upon information generally available to the public from sources believed to be reliable. No content contained in these materials (including index data, ratings, credit-related analyses and data, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse-engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of ROBO. The Content shall not be used for any unlawful or unauthorized purposes. ROBO and its third-party data providers and licensors (collectively "ROBO Parties") do not guarantee the accuracy, completeness, timeliness or availability of the Content. ROBO Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. The Content is provided on an "as is" basis.

ROBO Parties disclaim any and all express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use, of freedom from bugs, software errors or defects, that the Content's functioning will be uninterrupted or that the Content will operate with any software or hardware configuration. In no event shall ROBO Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages. ROBO Parties and their respective employees, affiliates and partners hereby exclude, to the extent permitted by applicable law, all liability in connection with the use of this factsheet.