

CANDIDATE STATEMENT, BIOGRAPHY, SIGNATORY AND COMPARATIVE INFORMATION FORM

Full name: **Hanneke Smits**

Job title: **CEO, BNY Mellon Investment Management**

Signatory organisation name: **Insight Investment Management**

Signatory organisation seconding your candidacy: **Newton Investment Management**



CANDIDATE STATEMENT

Investment management stands at a pivotal inflection point. It needs to meet the rising interest – and scrutiny – from investors and regulators alike to collectively support societal change through a greater focus on sustainability.

And while the industry has already made significant progress, there is still a considerable amount to be done. We must work with independent institutions like the PRI to further build trust and accountability.

We have all seen how the Covid-19 pandemic has focused attention on the relevance of ESG factors. As CEO of BNY Mellon Investment Management (BNY Mellon IM), I've also seen how the investing industry no longer questions the importance of ESG issues. Now the focus is on how investors can amplify change.

As one of the world's largest asset managers with US\$2.3 trillion AUM – encompassing both active and passive management across a broad spectrum of asset classes – BNYM IM has both the responsibility to be at the heart of this transition and the opportunity to work with our peers and clients to guide the transformation.

That's why I am standing to join the PRI board. I want to:

- Be a champion for all investors' voices; I believe the PRI can strengthen its support for investors in becoming forceful stewards, driving positive impact across markets.
- Encourage greater, **more considered and concise annual signatory reporting**, with better accountability to key stakeholders.

- Promote **improved consistency, reliability and quality of ESG data and analytics**, through increased dialogue between investment decision-makers and regulators.
- Support the PRI's leading role in **driving relevant and effective standards to ensure clear and consistent approaches across markets**, including with new asset classes and product-labelling.

The PRI performs a crucial role in promoting outcomes that benefit not just investors but society as a whole. This is an ethos BNYM IM shares, as does our parent company with its 230-year history. Our longevity is built on the trust we have engendered by successfully adapting with the times. Over the centuries we have been committed to pioneering real change in the financial industry. It is a commitment of which I am proud.

I am the CEO of a company which, on top of its own ESG endeavour and that of its parent company, includes one of the PRI's founding signatories (Insight), another early adopter (Newton) plus four other signatories. We believe in the importance of this work and to the pursuits and goals the PRI embodies.

BIOGRAPHY

With nearly 30 years of investment experience, Hanneke Smits is currently CEO of BNY Mellon Investment Management and is a member of BNY Mellon's Executive Committee.

Prior to her current role, Hanneke was CEO of Newton Investment Management, a BNY Mellon IM firm, from 2016 to 2020. Before Newton, she served on the Executive Committee at private equity firm Adams Street Partners from 2001 to 2014 and was its Chief Investment Officer from 2008 to 2014.

She first joined Adams Street in 1997 to build out its global investment capabilities and successfully launched its presence in Europe and Asia. Before joining Adams Street, she was an investment manager at Pantheon Ventures and worked for Philips China Hong Kong Group.

Today Hanneke is a member of the board of the UK investment trade body, the Investment Association and serves as Chair of Impetus, a venture philanthropy organisation which backs charities to transform the lives of disadvantaged young people. As part of her role with Impetus, she is Trustee of the Education Endowment Foundation (EEF), founded in 2011 by The Sutton Trust in partnership with Impetus.

Hanneke has also been a Non-Executive Director to the Court of the Bank of England and a co-founder and the first Chair of Level 20, a not-for-profit organisation set up in 2015 to inspire women to join and succeed in the private equity industry.

Originally from the Netherlands, Hanneke has a BBA from Nijenrode University and an MBA from the London Business School.

SIGNATORY ORGANISATION INFORMATION

BNY Mellon Investment Management is a global multi-boutique business, which encompasses the skills of eight underlying investment groups, governed by their own respective management teams. Each specialises in different market areas – from publicly-traded equities and bonds to cash, alternatives and privately-traded markets – and each has its own unique investment culture, philosophy and process.

Through its constituent investment firms BNY Mellon IM demonstrates both dedication and innovation in its approach to responsible investment. For instance, Newton Investment Management has been voting client shares since 1978 and engaging on responsible investment matters since 1999. In addition, Insight Investment was a founding PRI signatory and since 2017 has been using proprietary sustainability ratings that cover corporate and sovereign debt issuers.

BNY Mellon IM understands the importance and power of responsible investment. As a distributor of investment funds and manager of bespoke segregated accounts to clients all over the world, we attend to the stewardship of assets and responsible investment at every juncture. Our investment managers engage with companies and other entities to create more effective risk management, responsible capital allocation and more sustainable practices to generate greater benefits for our societies, economies and the environment.

Creating prosperity for our clients while supporting companies we believe offer a more sustainable future is a shared objective across BNY Mellon IM. Using ESG data alongside conventional financial factors, our specialist investment firms analyse multiple perspectives to identify the opportunities they believe can deliver long-term value.

The BNYM IM firms are:

- Alcentra ([Private credit and structured credit](#))
- ARX ([Brazilian](#) investments)
- [Dreyfus](#) (Money markets)
- [Insight Investment](#) (Fixed income and LDI)
- Mellon Investments (Indexing)
- [Newton Investment Management](#) (Active listed equity and multi-asset)
- Siguler Guff (Multi-strategy [private equity](#))
- [Walter Scott](#) (Active [equities](#))

SPECIFIC EXPERTISE

LEADERSHIP AND GOVERNANCE EXPERIENCE

Over the course of my career, I have held several senior industry investment roles. In my current role as CEO of BNY Mellon IM, I oversee not only our IM infrastructure including fund operations, distribution and marketing but also eight different investment firms, with operations around the world. I am involved in setting, guiding and evaluating strategic direction across commercial, operational and investment activities.

Six of these eight firms - Alcentra, Insight, Mellon, Newton, Siguler Guff and Walter Scott – are PRI signatories.

As the former CEO of Newton, a PRI signatory since 2007 and already well known for its ESG commitments, I increased focus on its sustainability offerings and actions. This involved overseeing Newton's first Task Force on Climate-Related Financial Disclosure (TCFD) report in 2018, multiple new sustainable fund launches and the adoption of a climate "Red Lines" investment policy.

I joined the private equity firm Adams Street Partners in 1997 it was to build out its European and Asian investment capabilities. During my time there, serving on the Executive Committee and as Chief Investment Officer, the firm also became a PRI signatory and I helped ensure it adhered to PRI guidelines throughout my tenure.

Currently I am directly involved in several industry and non-profit boards.

- Board director of UK trade body, the Investment Association.
- A member of BNY Mellon's Enterprise ESG Client Solutions Working Group
- Co-founder of Level 20, an organisation which inspires women to join and succeed in the private equity industry.
- Chair of Impetus, a charity whose mission is to close the gap in education and employment between disadvantaged young people and those with better prospects.
- Trustee at EEF, a charity dedicated to breaking the link between family income and educational achievement.

GENERAL

DEMONSTRATED LEADERSHIP WITHIN RESPONSIBLE INVESTMENT, ESG EXPERTISE AND OTHER EXPERIENCE RELEVANT TO THE LONG-TERM SUCCESS OF THE PRI.

I am privileged to oversee the work of innovating and advancing responsible investment within BNY Mellon IM. My influence is both top down as CEO and at the individual firm level as I serve on the boards of several of our associate firms, including Insight, Mellon, Alcentra and Walter Scott.

Given the multi-boutique nature of our business, this means I oversee a broad range of specialists. I work to ensure these investment firms deliver high-quality stewardship and ESG integration outcomes.

This includes world-leading managers in:

- Fixed income, an asset class whose importance to sustainability can often be overlooked;
- Listed Equities
- Multi-asset/Absolute return
- Credit and Private debt
- Cash Investment strategies
- Passive strategies, where ESG indexing is a fast-growing area
- Private equity

I have seen first-hand how responsible investment activities have matured and are now applied by large and small investors alike. I understand the challenges and opportunities in meeting responsible investment objectives that are changing rapidly as the industry evolves and best practice standards shift.

I am also passionate about diversity in asset management and have been at the forefront of supporting – and initiating – changes within our industry. I co-founded the Level 20 initiative in 2015 and support numerous BNY Mellon IM programmes designed to strengthen diversity across our organisation and the industry itself. As a member of BNY Mellon’s Executive Committee I am committed to improving diversity across our organisation and have ensured our IM firms and their leaders have diversity goals embedded in their annual performance plans.

I sit on BNY Mellon’s various ESG governance groups, which have introduced important new changes, ranging from net zero commitments through to wider diversity, stewardship and ESG integration policies. Such groups are key in considering the evolving industry regulations such as the European Union Sustainable Financial Disclosure Regulation.