



LEA 02	Disclosure: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decisionmaking in a company relevant to ESG issues</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decisionmaking in a company relevant to ESG issues</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p>	
Collaborative engagements	<p><input type="checkbox"/> To support investment decisionmaking in a company relevant to ESG issues</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p>		
Service provider engagements	<p><input type="checkbox"/> To support investment decisionmaking in a company relevant to ESG issues</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via service providers</p>		

RI TRANSPARENCY REPORT

2014/15

Kleinwort Benson Investors

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	🔒	n/a							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Private	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Private	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 09	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 10	Description of ESG integration	✓	Private	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 14	ESG issues in index construction	🔒	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Private		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Private		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	✓	Public		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	-	n/a		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Kleinwort Benson Investors

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01	Mandatory	Gateway/Peering	General
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OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory services

OO 02	Mandatory	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

Ireland

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

55

OO 03	Mandatory	Descriptive	General
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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04	Mandatory	Gateway/Peering	General
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OO 04.1 Indicate the year end date for your reporting year.

31/12/2014

OO 04.2 Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		6	900	000	000
Currency	EUR				
Assets in USD		9	049	289	112

OO 04.5 Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06

Mandatory

Descriptive

General

OO 06.1 To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown
- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	>50%	0
Fixed income – corporate	0	<10%
Fixed income – government	0	<10%
Fixed income – other	0	0
Private debt	0	0
Private equity	0	0
Property	0	<10%
Infrastructure	0	0
Commodities	0	0

Hedge funds	0	<10%
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Other (1), specify	0	0
Other (2), specify	0	0

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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OO 10.1	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.
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- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- None of the above

OO 10.3	Additional information. [Optional]
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We incorporate ESG factors in our current strategies where we believe they are material to investment decisions for the particular strategy. Environmental factors are foundational for the Environmental Strategies as are the Social factors of an increasing global population and changing world demographics. Governance is a consideration in evaluation of company management and management structures. Our Global Equity Strategies are grounded in the consideration of the Social factor of the demographic of an ageing population's increasing demand for income. It has also been our experience that a focus on companies with a sustained ability to pay dividends results in a portfolio of companies that sustainably deploys capital and has a higher Governance profile. In our view such a profile ultimately is to long term benefit of shareholders.

As a specialist boutique asset manager with focused resources, we endeavour to leverage relationships to engage in collective engagement when appropriate. . Additionally, the PMs on our Environmental Strategies engage with investee companies on a range of ESG issues, and we work with external service providers in this regard.

OO 11	Mandatory	Gateway	General
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OO 11.1

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Cash
- None of the above

OO 11.2

Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Property
- Hedge funds
- None of the above

OO 12**Mandatory****Gateway****General****OO 12.1**

The modules and sections that you will be required to complete are listed below.

This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Closing module

- Closing module

Kleinwort Benson Investors

Reported Information

Public version

Overarching Approach

PRI disclaimer

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1 Indicate if you have a responsible investment policy.

- Yes
 No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes
 No

OA 01.3 Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

Philosophy

Environmental factors are foundational for the Environmental Strategies as are the Social factors of an increasing global population and changing world demographics. Governance is a consideration in evaluation of company management and management structures. Our Global Equity Strategies are grounded in the consideration of the Social factor of the demographic of an ageing population's increasing demand for income. It has also been our experience that a focus on companies with a sustained ability to pay dividends results in a portfolio of companies that sustainably deploys capital and has a higher Governance profile. In our view such a profile ultimately is to the long term benefit of shareholders.

Screening

All portfolios do not invest in companies manufacturing (or owning more than 20% of another company which manufactures) land mines or cluster bombs. Our ethical portfolios exclude companies that have material connections to certain controversial industries, e.g. tobacco, stem cell research, and weapons, and exclude investments in companies with the lowest overall ESG score as calculated by an independent external ESG research company. On a separate account basis, SRI screening is available for clients who wish to avoid stocks based on ethical criteria.

Proxy Voting

Our policy is to vote all securities that we are entitled to vote on behalf of our client portfolios. A Proxy Voting Policy is in place and is reviewed once a year. Routine matters are facilitated by an external provider, Institutional Shareholder Services, while non routine matters including contested elections, take-over proposals, management defence strategies, contentious management compensation issues, shareholders rights, political/social issues etc. are referred to Kleinwort Benson Investors Proxy Voting Committee which is chaired by our CIO, and includes our Head of Compliance and several other senior staff.

Engagement

For our Environmental Strategies, meetings with company management give our Portfolio Managers the opportunity to raise any issues that they believe may be material to shareowner value. If our analysis detects a serious governance concern, we will raise the issue with company management at meetings in person or via telephone and after further assessing the situation we make an appropriate decision in the best interest of our clients. As a specialist boutique asset manager with focused resources, we endeavour to leverage relationships to engage in collective engagement when appropriate. To that end we are members of or signatories to a number of industry initiatives.

Integration:

Environmental and Social factors are a fundamental underpinning of our Environmental Strategies, grounding the investment premise for our Water, Energy Solutions, Agribusiness and Multi Themed strategies. Our team applies its expertise to evaluate the investment implications of environmental challenges, evolving world demographics, and opportunities in environmental solutions and then integrates these assessments into the overall fundamental assessment of companies. Corporate governance is reviewed as part of our fundamental analysis of a company.

Where governance risks are identified, they will be the basis for conversations with management and/or an adjustment to the risk premium we use in our valuation of the company.

ESG is also explicitly integrated into our "ESG" or "Ethical" Global Equity Strategies. These strategies exclude investment in certain controversial sectors or companies, as determined by the ESG Committee, and exclude investments in companies that score the worst overall ESG grade ("CCC") from MSCI ESG Research. Furthermore, these portfolios are constructed so that the overall ESG rating of each portfolio is significantly higher than the benchmark.

For our standard Global Equity strategies, we believe that there is a connection between dividend payments and corporate governance standards. Identifying companies with the ability to pay sustainable dividends, we believe, is a unique way to identify better governed companies, particularly in emerging markets. Firm-level corporate governance provisions matter more in countries with weaker legal environments or political instability and better governance is typically associated with higher dividend payouts. While equity investors can receive returns through capital gains or dividends, agency theory indicates that shareholders may prefer dividends, particularly when they fear expropriation by insiders; have concerns over the motivations of management; or there is a weak regulatory environment.

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1	Indicate if your responsible investment policy is publicly available.
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Yes

OA 02.2	Provide a URL to your responsible investment policy.
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	URL
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<http://www.kleinwortbensoninvestors.com/about-us/responsible-investing.1292.html>

No

OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.
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Yes

Yes, all

Yes, some

OA 02.4	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.
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Policy or document name	URL
UK Stewardship Code statement	http://www.kleinwortbensoninvestors.com/responsible-investing/kbi-uk-stewardship-code-statement-.1294.html
Conflicts of Interest Policy	http://www.kleinwortbensoninvestors.com/responsible-investing/kbi-conflicts-of-interest-policy-.1411.html

No

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
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Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.2	Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]
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Proxy voting and land mine and cluster bomb screening components of the RI policy apply to all assets, ESG Integration and Engagement is currently focused on in our Environmental Strategies and our Global Equity ESG Strategies, which in combination are less than 50% of the assets.

OA 04	Mandatory	Core Assessed	General
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OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

OA 04.2

Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

Kleinwort Benson Investors always endeavours to act in the best interests of its clients. The firm has a robust Conflicts of Interests policy in place which is made available to all staff. Where conflicts do arise they are always reviewed bearing the client's best interests in mind. The policy is available on our website

No

Objectives and strategies

OA 05

Mandatory

Gateway/Core Assessed

General

OA 05.1

Indicate if your organisation sets objectives for its responsible investment activities.

Yes

No

Governance and human resources

OA 08

Mandatory

Gateway/Core Assessed

General

OA 08.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
CIO

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
 - Head of ESG Policy**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Other role, specify
 - Screening Analyst**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
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Number

2

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5
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OA 10.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

- CDP Forests
- CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Member of steering group which engaged with brokers and research providers to request an enhanced set of analytical tools to assess the impact of climate change on investee companies

- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Spoke on ESG thematic investments at 2014 investment conference

- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

Global Impact Investment Network (GIIN)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

Supported the efforts of the Green IFSC in Ireland through speaking at conferences, writing articles and guest lecturing at graduate programs in sustainable/environmental finance.

No

Kleinwort Benson Investors

Reported Information

Public version

Direct - Listed Equity Incorporation

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ESG incorporation in actively managed listed equities

Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
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LEI 03.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.
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ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	 70
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- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening + Integration strategies
- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined

Percentage of actively managed listed equities to which each strategy or combination of strategies is applied - you may (estimate +/- 10%)	 30
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- No incorporation strategies applied

	Total actively managed listed equities
--	--

100%

LEI 03.2	Describe your primary reasons for choosing a particular ESG incorporation strategy.
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Our Environmental strategies self-evidently use a thematic approach, but they also use both negative Screening (to a limited extent) and Integration. Integration is the chosen method as we believe that companies whose products and services enhance social or environmental goals deserve a higher valuation. Such companies are more likely to have long, durable, sustainable business models. Or to put it in more technical terms, when using a discounted cash flow valuation calculation, the assumptions behind the terminal value calculation are more likely to be robust.

Our Global Equity strategies use negative screening to a limited extent as it is policy of our company not to invest in landmine manufacturers. The ESG versions of those strategies also incorporate further negative screens (excluding stocks that obtain the lowest ESG rating from an external ESG rating company) and integration as the portfolio is optimised to ensure a well above average ESG score for the portfolio as a whole.

LEI 03.3

Where assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

See answer to EI 03.2

(A) Implementation: Screening

LEI 06

Mandatory

Descriptive

PRI 1

LEI 06.1

Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening

Negative/exclusionary screening

Screened by

Product

Activity

Sector

Country/geographic region

Environmental and social practices and performance

Corporate governance

Description

All portfolios are screened for companies involved in the manufacture of landmines and cluster bombs. In addition, we run an ESG version of our Global Equity Strategy for a number of clients, which screens out investments in certain controversial sectors and which also screens out all securities with an unacceptably low ESG rating, as provided by an external ESG research provider. We manage SRI screened versions of our Water and Energy Solutions Strategies for some sub-advised clients based on their criteria. For another subset of clients, we also screen on countries that these clients wish to avoid based on support for objectionable activities.

Positive/best-in-class screening

Norms-based screening

LEI 06.2

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

The exclusion of companies which manufacture landmines and cluster bombs is in place as a matter of company policy for many years and is unlikely to be reviewed.

The screening criteria used in the ESG version of our Global Equity Strategies are set and reviewed annually by our ESG Committee, a high-level group within the firm that has responsibility for ESG-related policy issues.

We notify clients of changes to these screening criteria by direct communications (the number of clients involved is quite small), typically at regular review meetings. The criteria are obviously also set out in product materials.

LEI 07	Mandatory	Core Assessed	PRI 1
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LEI 07.1 Indicate which processes your organisation uses to ensure that screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

(B) Implementation: Thematic

LEI 09	Mandatory	Descriptive	PRI 1
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LEI 09.1 Indicate the type of sustainability thematic funds or mandates that your organisation manages.

- Environmentally themed funds
- Socially themed funds
- Combination of themes

LEI 09.2 Describe your organisation's processes for sustainability themed funds. [Optional]

Kleinwort Benson has been managing global, long-only, Environmental Equity strategies since 2000 and we currently offer the following comprehensive suite of products in that space:

- The KBI Water Strategy
- The KBI Energy Solutions Strategy
- The KBI Agribusiness Strategy
- Multi-theme solutions

Kleinwort Benson Investors' Environmental Strategies provide investors with the opportunity to achieve strong long term returns and potential portfolio diversification from investing in companies providing solutions to our greatest global sustainability challenges. Investment across the spectrum of environmental strategies is grounded in three dominant global trends that support strong secular growth in a number of key sectors:

- **World's changing demographic profile.** Population growth, industrialization, economic growth and urbanization will continue to test the limits of our ecosystem and will require investment in innovation and infrastructure on an unprecedented scale.

- **Natural resources constraints.** A growing, more affluent global population has and will continue to put increasing pressure on the supply of natural resources. Meeting the needs for energy, water and food is a major challenge of the 21st century.
- **Increasing Waste and Pollution.** As the world continues to grow, it produces increasingly harmful levels of waste and pollution. Investments in cleaner, more efficient resource use are essential to mitigating these harmful outputs.

We believe that by harnessing the long-term growth opportunities that exist in companies that are focused on addressing and providing solutions to these important global problems, investors benefit from the return opportunities that are present from an investment perspective. The performance objective of the Environmental Strategies is 3% - 5% outperformance over the MSCI World Index over rolling 3 and 5 year periods.

The Kleinwort Benson Investors Water, Energy Solutions and Agribusiness Strategies are high conviction, global, long only equity portfolios that invests in 40-50 publicly traded companies providing value-added solutions to meet the vital, global need for water, food and clean energy. The primary drivers of investment across all three themes are:

1. **Insufficient Supply:** The supply of water is finite and impacted by increased pollution. With 38% of the earth's land already used for farming, supply of arable land is limited. Traditional high carbon energy sources like oil and coal will need to be limited and replaced by an increased supply from renewable sources.
2. **Increasing Demand:** A growing population and increasingly urbanization and industrialization is accelerating the demand for food, water and energy.
3. **Increasing Regulation:** Regulatory drivers to support water quality, encourage resource efficiency, and support cleaner energy solutions continue to gain momentum.
4. **Increasing Infrastructure Spending:** Massive spending on infrastructure will be required to meet the need for energy, water and food.
5. **Increasing Technology:** Innovative technologies continue to facilitate the more efficient use of inputs, delivery, quality and provision of these three vital resources.

We believe that specialist active management can not only deliver strong returns over the long run, but also best position the strategies across the investment cycle. Our investment process across the range of environmental investment themes (Water, Energy Solutions, Agribusiness, and Multi-Themed Solutions) is identical. We seek to use our specialist knowledge of the environmental themes and our experience in analysing companies operating in these sectors, together with the most up-to-date financial analysis that integrates relevant ESG information, to create the optimum portfolios from a risk/return perspective, with an emphasis on pure-play companies in each thematic area.

(C) Implementation: Integration of ESG issues

LEI 11	Mandatory	Core Assessed	PRI 1
LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.		

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

Communication

LEI 18

Mandatory

Core Assessed

PRI 2,6

LEI 18.1

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- We disclose it publicly

Provide URL

<http://www.kleinwortbensoninvestors.com/about-us/responsible-investing.1292.html>

LEI 18.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes
 No

LEI 18.3

Indicate the information your organisation proactively discloses to the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
 Detailed explanation of ESG incorporation strategy used

LEI 18.4

Indicate how frequently you typically report this information to the public.

- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify

LEI 18.5

Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

LEI 18.6

Indicate how frequently you typically report this information to clients/beneficiaries.

- Quarterly or more frequently
 - Between quarterly and annually
 - Less frequently than annually
 - Other, specify
- We disclose it to clients and/or beneficiaries only
 - We do not proactively disclose it to the public and/or clients/beneficiaries

Kleinwort Benson Investors

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Engagement

Overview

LEA 02	Mandatory	Gateway	PRI 1,2,3
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LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
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Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via service providers

Process

Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
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LEA 03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

- Yes
- No

LEA 04

Mandatory

Core Assessed

PRI 2

LEA 04.1

Indicate if you define specific objectives for your engagement activities.

- Yes
- No

LEA 04.2

Indicate if you monitor the actions that companies take following your engagements.

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases

LEA 04.3

Describe how you monitor and evaluate the progress of your engagement activities.

Where the engagement is directly with the company (as opposed to collaborative), our Portfolio Managers log both the engagement activity and the company's response to that engagement in a centralised log which is available to all investment staff and is reviewed regularly by the CIO.

Where the engagement is collaborative, monitoring tends to be less formal as the industry body generally has a secretariat or staff which provides frequent reports on outcomes etc, so there is less requirement to monitor progress internally.

- No

Process for engagements conducted via collaborations

LEA 05

Mandatory

Core Assessed

PRI 2

LEA 05.1

Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

- Yes
- No

LEA 05.3

Additional information.[Optional]

Our collaborative engagement is driven by "relevance", in the sense that we get involved in such engagement when we think that we can assist such engagement either because of our specific expertise on a topic or because we have a relatively significant holding in the company/companies in question.

LEA 06

Mandatory

Core Assessed

PRI 2

LEA 06.1 Indicate if the collaborative engagements in which you are involved have defined objectives.

- Yes
 - Yes, for all collaborative engagement activities
 - Yes, for the majority of collaborative engagement activities
 - Yes, for a minority of collaborative engagement activities
- No

LEA 06.2 Indicate if you monitor the actions companies take following your collaborative engagements.

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases

LEA 06.3 Describe how you monitor and evaluate the progress of your collaborative engagement activities.

We generally use the reports provided by the industry body or similar, through which the collaborative engagement has been undertaken.

- No

Process for engagements conducted with/on your behalf by service providers

LEA 07

Mandatory

Core Assessed

PRI 2,4

LEA 07.1

Indicate if you play a role in the engagement process that your service provider conducts on your behalf.

- Yes

LEA 07.2

Indicate what role you play in engagements that your service provider conducts on your behalf.

- Specify the issues for the engagement
- Specify the objectives for the engagement
- Select the companies to be engaged with
- Participate directly in the engagements with your service provider
- Actively monitor and review the activities of the service provider
- Other, specify

- No

LEA 08

Mandatory

Core Assessed

PRI 2,6

LEA 08.1

Indicate whether you monitor and/or discuss the following information provided to you by your service provider

Please select all that apply

- The subject (or ESG issue(s)) of engagement
- The objectives of the engagement
- The rationale for engagement
- The frequency/intensity of interactions with companies
- Progress towards achieving engagement goals
- Outcomes that have been achieved from the engagement
- Next steps for engagement activity
- Other, specify
- None of the above

General processes for all three groups of engagers

LEA 10

Mandatory

Gateway/Core Assessed

PRI 2

LEA 10.1

Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Service provider engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input checked="" type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

Communication

LEA 15

Mandatory

Core Assessed

PRI 2,6

LEA 15.1	Indicate whether your organisation proactively discloses information on its engagements.
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- We disclose it publicly
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

LEA 15.8	Additional information. [Optional]
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We report on such activity on request by clients, not systematically/regularly reported as a matter of routine. However we note that some clients or prospective clients are moving towards requesting this on an ongoing basis and we are happy to do so.

(Proxy) voting and shareholder resolutions

Process

LEA 17	Mandatory	Descriptive	PRI 2
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LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
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	Approach
--	----------

- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

	Based primarily on
--	--------------------

- the service provider voting policy signed off by us
- our own voting policy
- our clients requests or policy
- other, explain
- We hire service provider(s) which make voting decisions on our behalf.

LEA 18	Mandatory	Descriptive	PRI 2
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LEA 18.1	Of the voting recommendations that your service provider made in the reporting year, indicate what percentage your organisation reviewed, and the reasons for the review.
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Percentage of voting recommendations your organisation reviewed

- >20%
- 5-20%
- 1-5%
- <1%

Reasons for review

- Specific ESG issues
- Votes where a significant level of ownership is held
- Votes against management or abstentions
- Conflicts of interest
- Corporate actions such as M&A, disposal, etc.
- Other, explain

LEA 21	Mandatory	Core Assessed	PRI 2
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LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
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- Yes, in most cases
- Sometimes, in the following cases:
 - votes in selected markets
 - votes on certain issues (all markets)
 - votes for significant shareholdings (all markets)
 - other, explain
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
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LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

95

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

Communication

LEA 26

Mandatory

Core Assessed

PRI 2,6

LEA 26.1

Indicate if your organisation proactively discloses information on your voting activities.

- We disclose it publicly

provide URL

{hyperlink:http://pending...}

LEA 26.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

LEA 26.3

Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

LEA 26.4

Indicate how frequently you typically report voting information.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify
- No
- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

LEA 26.8

Additional information. [Optional]

This disclosure is imminent but not yet active at time of writing.