




LEA 02	Monetary	Reason for Interaction
Individual/ internal staff engagements	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input checked="" type="checkbox"/> To influence corporate transition or identify the need for additional or different investments <input checked="" type="checkbox"/> To engage investors or other stakeholders <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in internal staff 	
Collaborative engagements	<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To influence corporate transition or identify the need for additional or different investments <input type="checkbox"/> To engage investors or other stakeholders <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in collaborative engagements 	
Service provider engagements	<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To influence corporate transition or identify the need for additional or different investments <input type="checkbox"/> To engage investors or other stakeholders <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in service providers 	

RI TRANSPARENCY REPORT

2014/15

Principal Global 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	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Public							✓
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	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
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	✓	Private	✓						
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	✓	Private	✓						
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	🔒	n/a		✓					
LEA 04	Objectives for engagement activities	🔒	n/a		✓					
LEA 05	Process for identifying and prioritising engagement activities	🔒	n/a		✓					
LEA 06	Objectives for engagement activities	🔒	n/a		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	🔒	n/a	✓	✓					
LEA 10	Tracking number of engagements	🔒	n/a		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	🔒	n/a		✓					
LEA 12	Engagements on E, S and/or G issues	🔒	n/a		✓					
LEA 13	Companies changing practices / behaviour following engagement	🔒	n/a		✓					
LEA 14	Examples of ESG engagements	🔒	n/a		✓					
LEA 15	Disclosure of approach to ESG engagements	🔒	n/a		✓				✓	
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	🔒	n/a		✓					
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	✓	Private		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
FI 03	Description of ESG incorporation	✓	Private	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Private	✓						
FI 06	Types of screening applied	✓	Public	✓						
FI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
FI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	✓	Private	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	✓	Public	✓						
FI 14	ESG issues in index construction	🔒	n/a	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
FI 19	Engagement with corporate issuers	✓	Private		✓					
FI 20	Engagement with government issuers	✓	Private		✓					

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Breakdown of investments by equity and debt	✓	Private							✓
PR 02	Breakdown of assets by management	✓	Private							✓
PR 03	Largest property types	✓	Private							✓
PR 04	Description of approach to RI	✓	Private	✓						✓
PR 05	Responsible Property Investment (RPI) policy	✓	Public	✓						✓
PR 06	Fund placement documents and RI	✓	Public	✓			✓			✓
PR 07	Formal commitments to RI	✓	Private				✓			
PR 08	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 09	ESG advice and research when selecting investments	✓	Private	✓			✓			
PR 10	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
PR 11	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PR 12	ESG issues impact in selection process	✓	Private	✓						
PR 13	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 14	ESG issues in post-investment activities	✓	Public		✓					
PR 15	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 16	Certification schemes, ratings and benchmarks	✓	Private		✓					
PR 17	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 18	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 19	Proportion of green leases or MOUs referencing ESG issues	✓	Private		✓					
PR 20	Proportion of assets engaged with on community issues	✓	Private		✓					
PR 21	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PR 22	Examples of ESG issues that affected your property investments	✓	Private	✓		✓				
PR 23	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓

Principal Global Investors

Reported Information

Public version

Organisational Overview

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.

Basic Information

OO 01

Mandatory

Gateway/Peering

General

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

% of assets under management (AUM) in ranges

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

Other, specify

Execution and advisory services

OO 01.2

Additional information. [Optional]

Principal Global Investors is a diversified asset management organization and a wholly-owned subsidiary of the Principal Financial Group® ("The Principal®"). Listed on the New York Stock Exchange, The Principal is a member of the Fortune 500 and a leading global financial institution offering a wide range of financial products and services through a diverse family of financial services companies. The investment capabilities of Principal Global Investors encompass a range of equity, fixed income and real estate investments, as well as specialized expertise in currency management, asset allocation, stable value management and other structured investment strategies. The multi-boutique strategy of Principal Global Investors enables us to provide an expanded range of top-tier investment capabilities through our network of specialized affiliates and boutiques that includes: Principal Global Equities, Principal Global Fixed Income, Principal Real Estate Investors, Macro Currency Group, Columbus Circle Investors, Edge Asset Management, Finisterre Capital, Liongate Capital Management, Origin Asset Management, Morley Financial Services, Multi-Asset Advisors, Post Advisory Group, and Spectrum Asset Management.

OO 02

Mandatory

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United States

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

1357

OO 02.4 Additional information. [Optional]

Principal Global Investors has major regional offices in the following countries: Australia, Hong Kong, Japan, Singapore, United Kingdom, and the United States.

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 03.3 Additional information. [Optional]

All investment teams and boutiques are included in Principal Global Investors signatory status and will be included in the annual reporting process.

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		333	199	134	247
Currency	USD				
Assets in USD		333	199	134	247

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 04.6 Additional information. [Optional]

Principal Global Investors is the asset management arm of the Principal Financial Group® (The Principal®) and includes the asset management operations of the following subsidiaries of The Principal: Principal Global Investors, LLC; Principal Real Estate Investors, LLC; Principal Enterprise Capital, LLC; Liongate Capital Management LLP; Multi-Asset Advisors; Spectrum Asset Management, Inc.; Post Advisory Group, LLC; Columbus Circle Investors; Edge Asset Management, Inc.; Morley Financial Services Inc.; Finisterre Capital, LLP; Origin Asset Management, LLP; Principal Global Investors (Europe) Limited; Principal Global Investors (Singapore) Ltd.; Principal Global Investors (Australia) Ltd.; Principal Global Investors (Japan) Ltd.; Principal Global Investors (Hong Kong) Ltd.; CIMB-Principal Islamic Asset Management Sdn. Bhd.; and the majority owned affiliates of Principal International, Inc. Assets under management includes assets managed by investment professionals of Principal Global Investors under dual employee arrangements with other subsidiaries of The Principal and assets managed in accordance with investment advice provided by Principal Global Investors through the delivery of a model.

"The Principal Financial Group" and "The Principal" are registered trademarks of Principal Financial Services, Inc., a member of the Principal Financial Group.

All assets under management figures shown in this document are gross figures, before fees, transaction costs and other expenses and may include leverage, unless otherwise noted.

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 broad ranges

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

Private equity	0	0
Property	10-50%	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	<10%	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Other (1), specify	<10%	0
Other (2), specify	<10%	0

'Other (1)' specified

The Other (1) category refers to foreign exchange assets managed by the Macro Currency Group, a specialized currency investment group within Principal Global Investors.

'Other (2)' specified

The Other (2) category refers to structured securities managed by Principal Global Investors.

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

OO 09	Voluntary	Descriptive	General
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OO 09.1

Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.

Principal Global Investors, LLC, became a registered investment advisor with the United States Securities and Exchange Commission on October 26, 1998. Our investment capabilities encompass a range of equity, fixed income and real estate investments, as well as specialized expertise in currency management, asset allocation, stable value management and other structured investment strategies. Our multi-boutique strategy enables us to provide an expanded range of top-tier investment capabilities through our network of specialized affiliates. We are not a specialized ESG investment manager, but do have client-directed socially-responsible mandates. Each boutique directs their own investment processes and incorporates responsible investing as appropriate to their strategies and/or client demand. Our clients are spread across many industries, sectors, countries and continents. The scope of our client base-which embraces public and private pension funds, banks, foundations, endowments, central banks, life insurance companies, multi-manager platforms, and sovereign wealth funds, as well as high net worth investors-reflects the breadth and sophistication of our investment capabilities, the global reach of our business, the quality of our research and investment professionals, and ultimately the results we achieve for our clients.

Gateway asset class implementation indicators

OO 10

Mandatory

Gateway

General

OO 10.1

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- 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 11

Mandatory

Gateway

General

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.

- Fixed income – corporate
- Fixed income – government
- Fixed Income – other
- Property
- Hedge funds
- Cash
- Other (1)
- Other (2)
- None of the above

'Other (1)' [as defined in OO 05]

The Other (1) category refers to foreign exchange assets managed by the Macro Currency Group, a specialized currency investment group within Principal Global Investors.

'Other (2)' [as defined in OO 05]

The Other (2) category refers to structured securities managed by Principal Global Investors.

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

Direct - Fixed Income

- Fixed Income - Corporate
- Fixed Income - Government

Direct - Other asset classes with dedicated modules

- Property

Closing module

- Closing module

Principal Global Investors

Reported Information

Public version

Overarching Approach

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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]

Given our organization's long-standing commitment to corporate stewardship and our already established track record in Responsible Property Investing, we see our signing of the Principles in December 2010 as a natural next step in the development of our business. Integration is evolutionary and is a multi-year process. All investment teams and boutiques within the global asset management business of Principal Global Investors are covered by our UNPRI signature, and consistent with our multi boutique business model, each boutique will define the scope and pace of its own implementation path, driven by what fits best with its investment process and the needs of its clients. The adoption of our policy has started with our largest, core boutiques and will extend throughout the organization. Our responsible investment policy has been adopted and approved by our chief executive officer, Jim McCaughan, and our operating committee. The policy is reviewed twice a year and is available publicly via our Responsible Investing website. There are no specific environmental, social or governance issues covered by the policy, rather each issue is addressed on a case-by-case, security-level analysis.

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

- Yes

OA 02.2 Provide a URL to your responsible investment policy.

URL

<https://www.principalglobal.com/about-us/responsible-investing>

- No

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

- 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.

Policy or document name	URL
Responsible Property Investing	https://www.principalglobal.com/principal-real-estate-investors/responsible-property-investing

No

OA 03 **Mandatory** **Core Assessed** **PRI 1,2**

OA 03.1 Indicate the components/types and coverage of your responsible investment policy and guidance documents.

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 type="checkbox"/> Screening/exclusion policy <input checked="" type="checkbox"/> Other, specify Responsible Property Investment guidelines <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]

The adoption of our policy started with our largest, core boutiques and will extend throughout the organization. There are some asset classes, such as real estate debt and currency management, which are difficult to implement our ESG policies.

OA 03.3 Additional information. [Optional]

Our responsible investment policy covers all AUM. Our Real Estate Boutique has an additional policy covering their responsible property investing guidelines.

OA 04

Mandatory

Core Assessed

General

OA 04.1

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

OA 04.2

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

Principal Global Investors' Code of Ethics is in place to prevent instances where conflicts of interest arise between the personal securities transactions of persons associated with Principal Global and the securities that Principal Global holds, buys, or sells in its clients' accounts. The Code of Ethics requirements mirror those of Rule 17j-1 as promulgated under the Investment Company Act of 1940.

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

OA 05.2

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
 - Biannually
 - Annually
 - Every two years or less
 - It is not reviewed
- No

Governance and human resources

OA 07	Voluntary	Descriptive	General
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OA 07.1	Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.
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Principal Global Investors established a Responsible Investing Working Group to help define its approach to implementing the Principles across its global asset management business. This Group is comprised of senior leaders from the investment boutiques within Principal Global Investors' global asset management platform, as well as experienced operations, client service and compliance professionals. Oversight to this Group is provided by our firm's operating committee. The Group networks across Principal Global Investors' global business to deliver ongoing education on UNPRI and to gather information on an ongoing basis about how our investment teams and boutiques are integrating the Principles into their processes and practices. The Responsible Investing Working Group is the central hub for collecting such data and is also responsible for producing and submitting our annual UNPRI progress report.

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General
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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.
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	Roles present in your organisation
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- Board members or trustees
- 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
- 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
- Other role, specify
Sustainability Director, Real Estate

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify

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.
----------------	---

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

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

Our parent company, Principal Financial Group, submits information annually.

- CDP Forests
- CDP Water
- 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)

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]

Principal Real Estate Investors (part of Principal Global Investors) participates in this survey.

- Institutional Investors Group on Climate Change (IIGCC)
- 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
- 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

The Principal's overall corporate social responsibility efforts:
<http://www.principal.com/corporate-social-responsibility/>

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

- Basic
- Moderate
- Advanced

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

At The Principal we place value on ethical corporate governance, social responsibility and sustainability. There are many company-wide initiatives surrounding these values. A Social Responsibility Report is compiled each year to report on these initiatives, and is publicly available on our dedicated website, <http://www.principal.com/about/social/socialresponsibilityreport-2013.pdf>

- 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

For Direct Property investing, promoting sustainability to our tenants is part of our Pillars of Responsible Property Investing program for our property managers.

- No

OA 11.3	Additional information. [Optional]
---------	------------------------------------

- During our annual Summit Series, a collection of asset class forums for our clients, we hold a session on responsible investing.
- We provide resources, including a published case study, on sustainable real estate investing: <https://www.principalglobal.com/documentdownload/23577>

Principal Global Investors

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

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ESG incorporation in actively managed listed equities

Implementation processes


LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
--------	-----------	-----------------------	-------

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.

ESG incorporation strategy (select all that apply)


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

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	 96
--	--

- Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	 2
--	---

- Thematic + integration strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	 2
--	---

- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Total actively managed listed equities

100%

LEI 03.2

Describe your primary reasons for choosing a particular ESG incorporation strategy.

At Principal Global Investors, our commitment to Responsible Investing and ESG issues revolves around one key factor - which is our fiduciary responsibility to our clients, to act in their long-term best interests, comes first and foremost. Our approach to Responsible Investing is at all times driven by that priority. The consideration of ESG issues currently takes place within our investment process as part of the fundamental research into stocks by our analysts, as we feel they are best placed to determine the importance of such factors in relation to a specific stock or property sub-sector. The analysts provide the essential insights into industry trends and company-specific considerations including ESG issues. These insights are crucial to the evaluation of sustainable competitive advantages and risks at a company-specific and industry level.

LEI 03.3

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

The Screening plus Integration strategy is applied for those clients that have requested to exclude specific industries that do not align with their particular philosophy. The stock selection process that incorporates ESG issues within our investment process as part of the fundamental research by our analysts remains consistent with other clients. Negative screening is then applied to ensure the portfolio is compliant with client guidelines.

The Thematic plus Integration strategy is applied for Shariah-compliant investment solutions to global institutional investors. Alpha is generated primarily through the application of a consistent and disciplined stock and security selection process, which is guided by Shariah principles and an experienced and highly regarded Shariah advisor. The stock selection process incorporates ESG issues within our investment process as part of the fundamental research into stocks by our analysts.

(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

Negative/Exclusion screening is applied in several ways. We offer specific thematic products, for example Shariah, which screen on exclusionary factors. Client mandates my direct certain exclusions for their funds, typically also socially thematic. Multiple applications of ESG factors are reviewed as part of the qualitative research across all actively managed fundamentally influenced funds and are then applied in varying capacities by the PM and/or the Analyst.

- 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 exclusions are noted in the clients' Investment Management Agreements. These exclusions are applied through rules within our Compliance and Order Management System, Charles River. Securities are screened on a pre-trade basis to prohibit their purchase and holdings are monitored daily via the compliance feature of Charles River to ensure no excluded securities are held in these portfolios. Quarterly reports are sent to the client detailing their holdings and any exceptions to their established investment policy. Screening criteria changes would only be made if the client initiated an amendment to the Investment Management Agreement.

LEI 07	Mandatory	Core Assessed	PRI 1
---------------	------------------	----------------------	--------------

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
---------------	------------------	--------------------	--------------

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 09.3

Additional information. [Optional]

The Socially themed funds Screening plus Integration strategy, is applied for those clients that have requested to exclude specific industries that do not align with their particular philosophy. The stock selection process that incorporates ESG issues within our investment process as part of the fundamental research by our analysts remains consistent with other clients. Negative screening is then applied to ensure the portfolio is compliant with client guidelines.

(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

<https://www.principalglobal.com/about-us/responsible-investing>

LEI 18.2

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

Yes

LEI 18.3

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

- Quarterly or more frequently
 - Between quarterly and annually
 - Less frequently than annually
 - Other, specify
- No
- We disclose it to clients and/or beneficiaries only
 - We do not proactively disclose it to the public and/or clients/beneficiaries

Principal Global Investors

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Engagement

Overview

LEA 02

Mandatory

Gateway

PRI 1,2,3

LEA 02.1

Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input 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 type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" 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 type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input checked="" type="checkbox"/> Other, specify Proxy Voting <input type="checkbox"/> We do not engage via service providers

LEA 02.2

Additional information. [Optional]

Our service provider, ISS, has informed us that they engage with corporate issuers, dissident shareholders, and sponsors of shareholder proposals to assist in producing high quality research reports for clients. The purpose of such discussions for ISS is to obtain or communicate clarification about governance and voting issues, in order to ensure research and policy-driven recommendations are based on the most comprehensive and accurate information available. Sometimes such dialogue is initiated by ISS, while other times it is initiated by the issuer or shareholder. In contested situations, ISS ordinarily seeks to engage with both sides.

(Proxy) voting and shareholder resolutions

Process

LEA 17	Mandatory	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
----------	---

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.

Based primarily on

- the service provider voting policy signed off by us
- our own voting policy
- our clients requests or policy
- other, explain

The service provider provides voting recommendations, but we reserve the right to override the recommendation.

- 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.
- We hire service provider(s) which make voting decisions on our behalf.

LEA 21	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

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.
----------	---

- Yes, in most cases
- Sometimes, in the following cases:
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA 21.2	Additional information. [Optional]
----------	------------------------------------

Our service provider, ISS, provides companies the opportunity to review a draft of their vote recommendation analysis for fact-checking purposes. This includes analysis and recommendations on Management and Shareholder proposals. Principal Global Investors is also provided a report summarizing the proposals and recommendations prior to the company meeting date, which includes a Company Governance risk score.

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

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.
-----------------	---

We do track or collect this information

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

	%
--	---

99

	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

LEA 22.2	If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]
-----------------	--

Principal Global Investors receives an audit report monthly from our service provider which includes information such as ballots received, meetings voted, meetings not voted, record dates, vote confirmations, and other information. Some votes in non-US countries require that our clients sign Power of Attorney (POA) forms. Clients do not always want to sign these due to cost. Therefore, some meetings were not 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
- We disclose it to clients/beneficiaries only

LEA 26.5	Indicate the voting information your organisation proactively discloses 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 26.6

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
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

Principal Global Investors

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

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ESG incorporation in actively managed fixed income

Fixed Income - Corporate

Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
-------	-----------	-----------------------	-------

FI 04.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

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

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	 99
---	--------

- Screening + Integration strategies

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	 1
---	-------

- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Total actively managed fixed income - corporate

100%

FI 04.2	Describe your primary reasons for choosing a particular incorporation strategy.
----------------	---

Although we do have client-directed socially-responsible mandates, we are not a specialized ESG investment manager. Instead our incorporation strategy is focused on our underwriting and research capabilities. We incorporate ESG issues into our analysis through qualitative research. The analysts provide the essential insights into industry trends and company-specific considerations including ESG issues. These insights are crucial to the evaluation of sustainable competitive advantages and risks at a company specific and industry level.

FI 04.3	If assets are managed using a combination of ESG incorporation strategies, describe briefly how these are used in combination. [Optional]
----------------	---

We manage a small number of mandates with specific ESG exclusions. Specifically, we manage public pension plan mandates that place restrictions on investing in Iran and Sudan and tobacco companies.

(A) Implementation: Screening

FI 06	Mandatory	Descriptive	PRI 1
--------------	------------------	--------------------	--------------

FI 06.1	Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments.
----------------	---

Type of screening

- Negative/exclusionary screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

	Description
--	-------------

We manage a small number of mandates with specific ESG exclusions. Specifically, we have public pension plan mandates that place restrictions on investing in Iran and Sudan and tobacco companies.

- Positive/best-in-class screening
- Norms-based screening

FI 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 exclusions are noted in the clients' Investment Management Agreements. These exclusions are applied through rules within our Compliance and Order Management System. Securities are screened on a pre-trade basis to prohibit their purchase and holdings are monitored daily via the compliance feature of our Order Management System to ensure no excluded securities are held in these portfolios. Quarterly reports are sent to the client detailing their holdings and any exceptions to their established investment policy.

FI 07**Mandatory****Core Assessed****PRI 1****FI 07.1**

Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.

- Comprehensive research is undertaken or sourced to determine issuers' ESG performance
- Issuers 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 issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct ESG 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

(C) Implementation: Integration of ESG factors**FI 11****Mandatory****Core Assessed****PRI 1****FI 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 type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" 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

Fixed income - Government

FI 13	Mandatory	Core Assessed	PRI 1
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FI 13.1	Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments.
---------	---

Yes

FI 13.2	Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making.
---------	---

- <10%
- 10-50%
- 51-90%
- >90%

FI 13.3	Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers.
---------	--

ESG issues	Coverage/extent of review on these issues
Environmental	<input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" 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

FI 13.4	Describe your approach to incorporating ESG issues in government fixed income investments. [Optional]
----------------	---

Macroeconomic research (which would include an assessment of corruption) is part of the investment process for sovereign debt. For municipal issuers, assessment of ESG factors varies with the type of bond issuance. For example, General Obligation bonds would focus more on the governance factor, while debt issued out of specific agencies (such as water or sewer departments) would have an environmental element in addition to governance; and agencies that focus on affordable housing or education would incorporate social factors as well as governance. Information on these factors would be obtained through research obtained from economists, investment banks, think-tanks, rating agencies, and directly from interaction with the issuer.

No

Communication

FI 18	Mandatory	Core Assessed	PRI 2,6
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FI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.
----------------	--

We disclose it publicly

	Provide URL
--	-------------

<https://www.principalglobal.com/about-us/responsible-investing>

FI 18.2

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

Yes

FI 18.3

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

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

FI 18.4

Indicate how frequently you typically report this information.

- 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 it to the public and/or clients/beneficiaries

FI 18.7

Additional information. [Optional]

Our responsible investing policy covers all asset classes, including fixed income investments.

Principal Global Investors

Reported Information

Public version

Direct - Property

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Overview

PR 05	Mandatory	Core Assessed	PRI 1-6
-------	-----------	---------------	---------

PR 05.1 Indicate if your organisation has a Responsible Property Investment (RPI) policy.

Yes

PR 05.2 Provide a URL if your RPI policy is publicly available. [Optional]

<https://www.principalglobal.com/principal-real-estate-investors/knowledge/insights/responsible-property-investing-overview>

No

PR 05.3 Additional information. [Optional]

Principal Real Estate Investors has a long-standing commitment to corporate stewardship and an established track record in responsible property investing. In 2010, to help formalize this commitment, we became a signatory to the United Nations Principles of Responsible Investment (UN PRI), as is evidenced by our participation in this survey. In 2013, we adapted and evolved this important philosophy into our Pillars of Responsible Property Investing (PRPI) initiative. PRPI is a unique, overarching environmental-social-and-governance framework undertaken by Principal Real Estate Investors and its partners.

The three pillars of our PRPI initiative support and guide our approach to real estate investment and management. Each pillar is summarized as follows:

Market Resilience: Reinforcing the social and economic vitality of markets where we do business through equitable contracting practices, job creation, and a focus on healthy and productive buildings.

Corporate Governance: Managing risk and meeting investor objectives through integrity, transparency, and managerial oversight.

Property Performance: Improving each building's competitive stature, reducing costs, and delivering enhanced financial and environmental performance through best-in-class operations and reduced energy, water and waste consumption.

Fundraising of property funds

PR 06	Mandatory	Core Assessed	PRI 1,4,6
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PR 06.1 Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

Yes

PR 06.2

Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
 - Always
 - In a majority of cases
 - In a minority of cases
- Approach to ESG issues in pre-investment processes
 - Always
 - In a majority of cases
 - In a minority of cases
- Approach to ESG issues in post-investment processes
 - Always
 - In a majority of cases
 - In a minority of cases

PR 06.3

Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar). [Optional]

Each PPM is different depending on the Fund, however, we strive to incorporate ESG and Responsible Property Investing concepts throughout the document policy, philosophy and objectives. A typical document will describe ESG and Responsible Property Investing by explaining our overall investment process including due diligence and underwriting, ongoing policies and procedures, investment management oversight as well as the Fund governance. Ongoing communication to the Investors include key financial and environmental performance metrics.

- No
- Not applicable as our organisation does not fundraise

Pre-investment (selection)

PR 08

Mandatory

Gateway

PRI 1

PR 08.1

Indicate if your organisation typically incorporates ESG issues when selecting property investments.

- Yes

PR 08.2

Provide a description of your organisation's approach to incorporating ESG issues in property investment selection. [Optional]

Our RPI philosophy guides every aspect of our investment process including consideration of ESG issues in property selection. Additionally, our Responsible Property Investing Working Group, which is composed of senior leaders representing various areas across our organization, helps to further our RPI efforts and ensure consistency among each area of our business.

All investments for every client are evaluated by an Investment Committee using a process that includes ESG variables. If client mandates require greater focus on ESG issues, then we modify our process to meet the client's goals.

We thoroughly evaluate ESG issues, for both short and long term impacts, from the earliest stages of our pre-investment process. Starting with basic factors such as geographic location, environmental concerns, regulatory conditions, or social matters, we consider ESG issues that are unique to each site and those which

are obvious today or may have greater impact in the future. For example, we consider proximity to health or environmental concerns such as pollution sources, sensitive ecologies, and exposure to extreme weather events. We take into account local market resilience, from both an economic and regulatory perspective. These considerations inform our investment process from the outset.

Our due diligence checklist includes a broad spectrum of ESG issues such as overall building performance and energy efficiency, green certifications like LEED and ENERGY STAR (If not certified, perform GAP analysis) indoor environmental quality, occupant health and safety, toxic materials, , environmental assessments, compliance with accessibility regulations, tenant satisfaction, walkability score and more depending on the specific property. For new development projects, other criteria may also be utilized such as an ecological impact assessment.

To better assess and respond to geographically specific ESG issues, Principal relies on local market expertise provided by our property management and development partners, and a regional asset manager and engineering organizational structure that allows for greater insight and focus on key local market conditions.

ESG issues are factored into our financial modeling and impact our determination of present and future asset value. For example, we consider energy expenses and operating costs among other ESG factors to determine our purchase price, but also incorporate a continuous improvement methodology to identify and capitalize on value-creation opportunities and risk reduction through improved property performance.

Finally, ESG issues, when applicable, are also incorporated into the Investment Committee underwriting process, as well as into the annual business plan for each individual asset. ESG information gained in the investment selection process is maintained and included in records and files for the asset throughout the ownership period. ESG information gathered in the investment process forms the baseline of key performance indicators, which are tracked and monitored over the life of the investment. We then actively work with our property management partners to continuously improve the environmental and financial performance of the asset.

No

PR 10	Mandatory	Core Assessed	PRI 1,3
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PR 10.1	Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process and list up to three examples per issue.
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ESG issues

Environmental

List up to three typical examples of environmental issues

Energy consumption and opportunity for energy efficiency.

Water consumption and opportunity for water efficiency.

Ecological impact, mitigation risks or needs, or opportunities for value-added enhancement.

Social

List up to three typical examples of social issues
--

Tenant health, comfort, safety and satisfaction through indoor air quality and water intrusion risk management and mitigation protocols .

Compliance with regulations for accessibility and conduct assessments as needed.

Fair labor practices and quality craftsmanship through responsible contracting and standardized construction contracts and service agreements.

Governance

List up to three typical examples of governance issues

All employees affirm adherence to a Corporate Code of Business Conduct and Ethics.

Management Committee reviews all major transaction decisions to ensure compliance with portfolio investment guidelines and performance.

We conduct extensive due diligence on all of our partners to ensure that they abide by high standards for ethics, governance, and financial practices.

PR 10.2

Additional information. [Optional]

Principal Real Estate Investors invests in properties across the United States. As such, we have multiple objectives to meet for our clients, funds, and communities. We are able to bring balance to these many objectives through our centered perspective and a governance platform that guides daily decision making. Rooted in our core values of ethics and integrity, our management practices are designed to benefit investment returns, enforce policy compliance, and enhance risk mitigation. In addition to the issues listed above, we engage with independent third-party vendors to perform annual audits of investment-processing controls and audits of investment vehicles' financial statements

Successful real estate investments depend on the resilience of local marketplaces. We recognize that the properties we invest in are not just assets in our portfolios, but rather they are integral parts of their communities' economic lives. By paying due care and attention to the social and local-market ramifications of the investment decisions we make today, we can ensure continued financial success for our clients into the future.

We incorporate this focus on the resilience of our properties' communities into our investment philosophy. First, we believe that financial success is partly derived from local relationships, and by fostering greater engagement between investors, clients, tenants, contractors, and the surrounding community. Second, we believe that by conducting business equitably and ethically, we can strengthen local marketplaces, improve the health and productivity of occupants, and subsequently reinforce the financial performance of our properties.

Selection, appointment and monitoring third-party property managers

PR 13

Mandatory

Core Assessed

PRI 4

PR 13.1

Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.

Yes

PR 13.2

Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.

- Selection process of property managers incorporated ESG issues
 - For all third party property managers
 - For a majority of property managers
 - For a minority of property managers
- Contractual requirements when appointing property managers includes ESG issues
 - For all third party property managers
 - For a majority of property managers
 - For a minority of property managers
- Monitoring of property managers covers ESG responsibilities and implementation
 - For all third party property managers
 - For a majority of property managers
 - For a minority of property managers

PR 13.3

Provide a brief description of your organisation's selection, appointment and monitoring of third party property managers. [Optional]

For all properties, Principal Real Estate Investors uses third-party property management firms. Property management firms are retained through a competitive selection process to provide management and leasing services. The factors we consider when selecting a property management and leasing company include but are not limited to the following:

- Asset type and property issues and challenges
- Market or sub-market conditions and challenges
- Firm qualifications, experience, past performance and reputation
- Market share and potential conflicts of interest
- Proposed key personnel including experience and expertise, industry certifications, capacity and current assignments
- Market competitive fee structure
- Ability to source additional opportunities such as acquisitions.

While service fees are certainly an important consideration, we generally make a selection based on the overall fit of a management company and its key employees with a particular assignment. Property managers are under 30-day cancellable contracts, which provide our firm with the ability to terminate firms quickly if there are performance issues.

We have standard policies and procedures in place for all of our property managers, including property managers who are affiliated with our joint venture partners. In addition, our comprehensive program to monitor and evaluate our property managers includes but is not limited to: ongoing thorough and extensive underwriting, property manager and joint venture partner watch list, day-to-day oversight of compliance with policies and procedures by a robust multi-disciplined internal staff; frequent visits to the properties and management companies by staff throughout the year; annual property management company scorecard evaluations including a specific sustainability component; annual operational and internal control compliance certification by management company; tenant surveys; formal audit program; and annual property inspections. In addition, property managers are required to submit energy, water and waste data and complete a comprehensive protocol of sustainability measures as part of our Pillars of Responsible Property Investing initiative.

To monitor property manager progress and provide feedback, we have created a web-based Status Board, which tracks property performance and environmental consumption metrics. The Status Board is viewable by all property managers. While specific properties are not listed, management firms are shown so that firms can see how they are performing against their peers. Adhering to our policies and procedures is an expectation of their standard performance and part of their management fee and contractual agreement. We do not provide additional reward or incentivize them monetarily for these achievements.

PR 13.4

Describe how your third party property managers contribute to the management of ESG issues for your property investments. [Optional]

Property managers are asked to develop a sustainability plan, implement sustainable building remodeling and operations practices, develop a tenant and community engagement plan and establish transportation and sustainable purchasing policies. These procedures are a part of the contractual agreement with the property management company.

Property managers are also required to contribute to ESG issues through the Pillars of Responsible Property Investing initiative, including to but not limited to the following:

Environmental Measurement

- Portfolio-wide environmental reduction target of 10 percent by 2020-in addition to significant reductions already achieved
- Monthly benchmarking of energy and water consumption/costs in EPA ENERGY STAR Portfolio Manager
- Annual solid waste reporting to monitor recycling and diversion rates
- Reduce toxics through green cleaning and integrated landscape and pest management practices

Resource Management

- Standard practices that enable cost savings through no- and low-cost measures, strategic capital improvements, and best-in-class building operations
- Property assessment program to perform in-depth analyses to identify financially viable technologies and efficient operational techniques

Stakeholder Engagement

- Green leasing practices and sustainable building standards
- Leveraging utility and regional incentives, rebates and technical resources
- Performance certifications such as ENERGY STAR, LEED and BOMA 360

Additionally, we continued the following programs with select properties:

- We conducted 10 property assessments in 2014. If implemented, the more than 300 upgrades and improvements identified during these property assessments will save \$1.9 million in operating costs annually, reduce energy consumption by an average of 26%, and increase asset value by \$31.7 million (using a 6% capitalization rate), all at a simple payback of just 10 months.
- Advanced energy monitoring to provide better information and enable property teams to respond to energy demand and efficiency opportunities as well as energy procurement and curtailment strategies.
- Innovative group-purchasing, geographic, and technology campaigns to leverage economies of scale and in-house engineering expertise for accelerated performance results. For example, in 2014, Principal Real Estate Investors partnered with a lighting vendor in Texas to upgrade exterior lighting and controls at 28 properties in the region. The program replaced nearly 4,500 lamps in parking lots, garages, and wall mounted fixtures. Once installations are complete, the campaign is expected to reduce annual operating costs by over \$210,000, save over 2,000,000 kWh annually at a 2.8 year simple payback. We provide extensive guidance, instructional resources, templates, and tips to property managers to streamline their execution of ESG initiatives. We created worksheets to summarize the PRPI requirements, "how-to" guidelines for using ENERGY STAR Portfolio Manager, and sustainable building and operations/maintenance protocols.

No

PR 13.5

Additional information. [Optional]

As part of our RPI philosophy, we believe that by conducting business equitably and ethically, we can strengthen local marketplaces, improve the health and productivity of occupants, and subsequently reinforce the financial performance of our properties.

To this end, we work with our property managers to integrate a number of protocols in the course of their business practices:

- Designing, constructing, and overseeing capital and tenant improvements with the health, safety, and welfare of tenants in mind
- Ensuring consistent treatment of tenants and vendors through standardized building-management practices
- Managing tenant comfort and satisfaction through indoor air-quality and water-infiltration risk-mitigation plans and operations and maintenance protocols
- Promoting quality craftsmanship and fair-labor practices through responsible contracting and standardized construction contracts and service agreements
- Encouraging increased tenant engagement and community outreach
- Promoting supplier diversity through vendor and purchasing initiatives
- Fostering safe and healthy work environments through recycling, green cleaning, integrated pest management, and green landscaping practices
- Ensuring compliance of federal, state, municipal or other governmental law, ordinance, rule or regulation through accessibility assessments and third-party reports

Post-investment (monitoring and active ownership)

Overview

PR 14

Mandatory

Gateway

PRI 2

PR 14.1

Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.

Yes

PR 14.2

Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.

- We consider ESG issues in property monitoring and management
- We consider ESG issues in property developments and refurbishments
- We consider ESG issues in property occupier engagements
- We consider ESG issues in community engagements related to our properties
- We consider ESG issues in other post-investment activities, specify

ESG issues are included in standard property management agreements, which are standard for all property management partners, including in cases when property managers are affiliated with joint venture partners. Property manager performance reviews take their ESG services into account. Adhering to our policies and procedures is an expectation of their standard performance and part of their management fee. We do not provide additional reward or incentivize them monetarily for these achievements.

Property managers are asked to develop a sustainability plan, implement sustainable building remodeling and operations practices, develop a tenant and community engagement plan and establishing a transportation and sustainable purchasing policy. These procedures are a part of the contractual agreement with the property management company.

Property managers are also required to contribute to ESG issues through the Pillars of Responsible Property Investing initiative.

Environmental Measurement

- Portfolio-wide environmental reduction target of 10 percent by 2020
- Monthly benchmarking of energy and water consumption/costs in EPA ENERGY STAR Portfolio Manager
- Annual solid waste reporting to monitor recycling and diversion rates
- Reduce toxics through green cleaning and integrated pest management practices

Resource Management

- Standard practices that enable costs savings through no- and low-cost measures, strategic capital improvements, and best-in-class building operations
- Property assessment program to perform in-depth analyses to identify financially viable technologies and efficient operational techniques

Stakeholder Engagement

- Green leasing practices and sustainable building standards
- Leveraging utility and regional incentives, rebates and technical resources
- Performance certifications such as ENERGY STAR, LEED and BOMA 360

Additionally, we continued the following programs with select properties:

- We conducted 10 property assessments in 2014. If implemented, the more than 300 upgrades and improvements identified during these property assessments will save \$1.9 million in operating costs annually, reduce energy consumption by an average of 26%, and increase asset value by \$31.7 million (using a 6% capitalization rate), all at a simple payback of just 10 months.
- Advanced energy monitoring to provide better information and enable property teams to respond to energy demand and efficiency opportunities as well as energy procurement and curtailment strategies.
- Innovative group-purchasing, geographic, and technology campaigns to leverage economies of scale and in-house engineering expertise for accelerated performance results. For example, in 2014, Principal Real Estate Investors partnered with a lighting vendor in Texas to upgrade exterior lighting and controls at 28 properties in the region. The program replaced nearly 4,500 lamps in parking lots, garages, and wall mounted fixtures. Once installations are complete, the campaign is expected to reduce annual operating costs by over \$210,000, save over 2,000,000 kWh annually at a 2.8 year simple payback.

As part of our RPI philosophy, we believe that by conducting business equitably and ethically, we can strengthen local marketplaces, improve the health and productivity of occupants, and subsequently reinforce the financial performance of our properties.

To this end, we work with our property managers to integrate a number of protocols in the course of their business practices:

- Designing, constructing, and overseeing capital and tenant improvements with the health, safety, and welfare of tenants in mind
- Ensuring consistent treatment of tenants and vendors through standardized building-management practices
- Managing tenant comfort and satisfaction through indoor air-quality and water-infiltration risk-mitigation plans and operations and maintenance protocols
- Promoting quality craftsmanship and fair labor practices through responsible contracting and standardized construction contracts and service agreements
- Encouraging increased tenant engagement and community outreach
- Promoting supplier diversity through vendor and purchasing initiatives
- Fostering safe and healthy work environments through recycling, green cleaning, integrated pest management, and green landscaping practices
- Ensuring compliance of federal, state, municipal or other governmental law, ordinance, rule or regulation through accessibility assessments and third-party reports

No

PR 14.4	Additional information. [Optional]
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We have in place property management agreements, including standard policies and procedures, with all of our property managers. We apply the same rigorous due diligence process and put in place the same standard property management agreements in cases where joint venture partners perform property management. Thus we maintain control of appointment and monitoring of all property managers, regardless of their affiliation with any joint venture partners.

Property monitoring and management

PR 15	Mandatory	Core Assessed	PRI 2,3
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PR 15.1	Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.
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- >90% of property assets
- 51-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

PR 15.2	Indicate ESG issues for which your organisation, and/or property managers, typically sets and monitors targets (KPIs or similar) and provide examples per issue.
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ESG issues

- Environmental

List up to three example targets per issue

A portfolio-wide environmental (energy, water, and waste) reduction target of 10 percent by 2020—from a baseline year of 2010—in addition to significant savings previously achieved.

Promote safe, healthy living and work environments through green cleaning, integrated pest management, and green landscaping practices.

Increase number of ENERGY STAR buildings and average portfolio score of at least 75/obtain LEED certification when economically feasible on new construction and existing buildings.

Social

List up to three example targets per issue

Comply with all federal, state, municipal or other governmental law, ordinance, rule or regulation through accessibility assessments and third-party reports.

Encourage tenant engagement and community outreach.

Manage tenant comfort and satisfaction through indoor air-quality and water-infiltration risk-mitigation plans and operations and maintenance protocols.

Governance

List up to three example targets per issue

Promote ethical values through Corporate Code of Business Conduct and Ethics.

We have rigorous controls process, we engage third party vendors to perform annual SSAE 16 audits of controls of investment transactions.

Conduct extensive due diligence and underwriting of all our partners and vendors including reference checks and Office of Foreign Assets Control verification.

We do not set and/or monitor against targets

PR 15.3

Additional information. [Optional]

ESG issues are included in standard property management agreements, which are standard for all property management partners, including in cases when property managers are affiliated with joint venture partners. Property manager performance reviews take their ESG services and accomplishments into account. Adhering to our policies and procedures is an expectation of their standard performance and part of their management fee. We do not provide additional reward or incentivize them monetarily for these achievements.

To monitor each property manager's progress and provide feedback on how we measure progress, we have created a web-based status board, which tracks progress against several metrics. The status board is viewable by all property managers. While specific properties are not listed, management firms are shown so that firms can see how they are performing against their peers.

We employ the following tracking, monitoring, and benchmarking protocol to assess performance and identify trends and opportunities:

- Continually track and monitor energy and water performance data across all office, retail, and multifamily properties with the EPA's ENERGY STAR Portfolio Manager system.
- Annually participate in the Global Real Estate Sustainability Benchmark (GRESB), allowing for select fund benchmarking across critical environmental performance, governance, management, and policy dimensions.
- Conduct annual solid waste reporting to identify recycling and diversion rates.
- Maintain an internal property performance Status Board to monitor and communicate performance metrics and deliverables with our property management partners.
- Annual certification by property management firms to ensure adherence to all policies and procedures including our Pillars of Responsible Investing Initiative.

Property developments and refurbishments

PR 17	Mandatory	Core Assessed	PRI 2
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PR 17.1	Indicate the proportion of active property developments and refurbishments where ESG issues have been considered.
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- >90% of active developments and refurbishments
- 51-90% of active developments and refurbishments
- 10-50% of active developments and refurbishments
- <10% of active developments and refurbishments
- N/A, no developments and refurbishments of property assets are active

(by number of active property developments and refurbishments)

PR 17.2	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and refurbishments.
---------	--

- Minimum environmental site selection requirements
- Minimum environmental site development requirements
- Sustainable construction materials
- Minimum water efficiency requirements
- Minimum energy efficiency requirements
- Energy generation from on-site renewable sources
- Waste management plans at sites
- Health and safety management systems at sites
- Construction contractors comply with sustainability guidelines
- Other, specify

PR 17.3	Additional information. [Optional]
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In nearly all new developments and refurbishment, we build to LEED standards and obtain certification. LEED provides a comprehensive framework to ensure a broad range of ESG issues are addressed. We also work with property managers to ensure that design, construction, and overseeing capital and tenant improvements is consistently accomplished with the health, safety, and welfare of tenants in mind.

The primary drivers behind our ESG approach in new developments and existing buildings include:

- Reduce costs and enhance asset value
- Meet client and investor objectives
- Fulfill commitments of the United Nations Principles of Responsible Investment
- Align operations with community, tenant, and stakeholder expectations
- Fulfill regulatory requirements
- Gain competitive advantage

We utilize standard AIA contracts with all contractors to ensure contractor compliance and require ongoing status reports. We promote quality craftsmanship and fair-labor practices through responsible contracting and standardized construction contracts and service agreements. Our "Indoor Air Quality Guidelines and Building

Maintenance and Operations Protocol," includes steps to maintain air quality during construction. Contractors are required to follow the guidelines and property managers are responsible for verifying their compliance.

Occupier engagement

PR 18	Mandatory	Core Assessed	PRI 2
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PR 18.1	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.
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- >90% of occupiers
- 51-90% of occupiers
- 10-50% of occupiers
- <10% of occupiers

(in terms of number of occupiers)

PR 18.2	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.
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- Distribute a sustainability guide to occupiers
- Organise occupier events focused on increasing sustainability awareness
- Deliver training on energy and water efficiency
- Deliver training on waste minimisation
- Provide feedback on energy and water consumption and/or waste generation
- Provide feedback on waste generation
- Carry out occupier satisfaction surveys
- Other, specify

Provide electric vehicle charging stations, bike racks and information on transportation alternatives such as car pooling and mass transit.

PR 18.3	Additional information. [Optional]
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Promoting sustainability to our tenants is part of our Pillars of Responsible Property Investing program for our property managers. They are directed to develop an education, communication and engagement plan for the tenants. We expect the encouragement of tenants to implement sustainable building practices within their business operations, provide tenants with information and tools on benchmarking and actively promote and enforce sustainable building practices and initiatives. In order to increase engagement and enforcement, we also strive to incorporate green lease clauses into our standard lease form as well as incorporate sustainability standards into the building rules and regulations and tenant improvement guidelines. We are also in the process of launching a Responsible Property Investing engagement tool that will provide tools for use by our property management partners and leasing brokers to assist with marketing and engagement with the tenants, residents, and community.

Tenant engagement programs are specific to each building and vary by market. Property managers are asked to include tenant and community engagement in their sustainability plans and we have anecdotal evidence of successful and effective campaigns at specific properties. At this time, we do not track specific tenant engagement programs comprehensively across our portfolio.

We are also currently developing and rolling out an Engagement Toolkit that will provide Property Managers direction, tools, and resources to educate and engage property stakeholders. Planned directives include Broker education materials, a Tenant/Resident Guide to Saving Energy and Water, Vendor education sheets, and

community outreach recommendations to better inform and organize participation by stakeholders on environmental, social, and governance issues related to the property.

Communication

PR 23

Mandatory

Core Assessed

PRI 6

PR 23.1

Indicate if your organisation proactively discloses ESG information on your property investments.

Disclose publicly

provide URL

<https://www.principalglobal.com/principal-real-estate-investors/responsible-property-investing>

PR 23.2

Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.

Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)

Other property reporting standards, specify

GRESB

No property specific reporting standards are used

PR 23.3

Indicate if the level of ESG information you provide to the public is the same as the level you provide to your clients/beneficiaries.

Yes

No

PR 23.4

Indicate the type of ESG information that your organisation proactively discloses to the public.

ESG information on how you select property investments

ESG information on how you monitor and manage property investments

Information on your property investments' ESG performance

Other, specify

Key environmental performance metrics

PR 23.5

Indicate your organisation's typical frequency of disclosing ESG information to the public.

Quarterly or more frequently

Semi annually

Annually

Every two years or less frequently

Ad-hoc, specify

PR 23.6

Indicate the type of ESG information that your organisation proactively discloses to your clients/beneficiaries.

- ESG information on how you select property investments
- ESG information on how you monitor and manage property investments
- Information on your property investments' ESG performance
- Other, specify

Key environmental performance metrics

PR 23.7

Indicate your organisation's typical frequency of disclosing ESG information to your clients/beneficiaries.

- Quarterly or more frequently
- Semi annually
- Annually
- Every two years or less frequently
- Ad-hoc, specify

PR 23.8

Describe the ESG information and how your organisation proactively discloses it to the public and/or clients/beneficiaries. [Optional]

Clients and investors receive quarterly and/or annual reports, which are usually not publicly disclosed. We do publish advertisements, press releases, conduct media interviews, and submit articles for trade journals, which are all publicly available and describe both our ESG philosophy, practices, and accomplishments. We recently published a white paper titled "Efficient Operations - Another Path to Sustainable Real Estate," which explains the emphasis we place on ESG in basic property management practices. In presentations and private marketing materials to prospective clients and investors, we detail many ESG practices, case studies, and data as appropriate.

Our senior staff participate in the Urban Land Institute's Responsible Property Investing and Sustainability Product Councils, The Real Estate Round Table Sustainability Policy and Advisory Committee, the Department of Energy's Better Buildings Alliance, and other industry groups such as BOMA. The intent of each of these groups is to share best practices and information among peers. Further, Vance Voss, Managing Director and Portfolio Manager of our Principal Green Property Fund was appointed to the Board of Directors for the United States Green Building Council (USGBC) and will serve a two-year term in the Board's seat for Commercial Real Estate Executive Leadership.

A press release regarding Vance's appointment is available here:

<http://www.usgbc.org/articles/usgbc-announces-2015-board-directors>

In addition, we also publicly disclose our organizational Responsible Property Investing philosophy via our website.

<https://www.principalglobal.com/principal-real-estate-investors/responsible-property-investing>

Information is also available on the Principal Financial Group's website:

<http://www.principal.com/corporate-social-responsibility/>

- Disclose to clients/beneficiaries only
- No proactive disclosure to the public or to clients/beneficiaries