



| Type of engagement                     | Reason for interaction   |
|--|--|
| Individual/ internal staff engagements | <input checked="" type="checkbox"/> To support investment decision-making in a company's investment ESG issues<br><input checked="" type="checkbox"/> To encourage corporate practice for identifying the need to enhance ESG<br><input type="checkbox"/> Other: specify |
| Collaborative engagements              | <input checked="" type="checkbox"/> To support investment decision-making in a company's investment ESG issues<br><input checked="" type="checkbox"/> To encourage corporate practice for identifying the need to enhance ESG<br><input type="checkbox"/> Other: specify |
| Service provider engagements           | <input checked="" type="checkbox"/> To support investment decision-making in a company's investment ESG issues<br><input checked="" type="checkbox"/> To encourage corporate practice for identifying the need to enhance ESG<br><input type="checkbox"/> Other: specify |

# RI TRANSPARENCY REPORT

2013/14

SNS Asset Management



UNEP Finance Initiative  
Changing finance, financing change



United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

## 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 2013-14 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. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly 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.

## PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

# 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                     | ✓      | n/a        |           |   |   |   |   |   | ✓       |
| OO 06                   | How would you like to disclose your asset class mix | ✓      | Public     |           |   |   |   |   |   | ✓       |
| OO 07                   | Segregated mandates or pooled funds                 | ✓      | Public     |           |   |   |   |   |   | ✓       |
| OO 08                   | Breakdown of AUM by market                          | ✓      | Public     |           |   |   |   |   |   | ✓       |
| 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                                    | ✓      | Public     |           |   |   |   |   |   | ✓       |
| 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   | ✓      | Public     |           |   |   |   |   |   | ✓       |
| OA 10                | Collaborative organisations / initiatives                          | ✓      | Public     |           |   |   | ✓ | ✓ |   |         |
| OA 11                | Promoting RI independently   | ✓      | Public     |           |   |   | ✓ |   |   |         |
| OA 12                | Dialogue with public policy makers or standard setters             | ✓      | Public     |           |   |   | ✓ | ✓ | ✓ |         |
| OA 13                | ESG issues in strategic asset allocation                           | ✓      | Public     | ✓         |   |   |   |   |   |         |
| OA 14                | Allocation of assets to environmental and social themed areas      | ✓      | Public     | ✓         |   |   |   |   |   |         |
| 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                              | -      | n/a        |           |   |   |   |   |   | ✓       |
| OA 19                | Internal and external review and assurance of responses            | ✓      | Public     |           |   |   |   |   |   | ✓       |

| Indirect – Manager Selection, Appointment and Monitoring |   |        |            | Principle |   |   |   |   |   | General |
|--|---|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator  | Short description   | Status | Disclosure | 1         | 2 | 3 | 4 | 5 | 6 |         |
| SAM 01   | Description of RI considerations  | ✓      | Public     | ✓         |   |   |   |   | ✓ |         |
| SAM 02   | Role of investment consultants  | ✓      | Public     |           |   |   | ✓ |   |   |         |
| SAM 03   | RI factors in selection, appointment and monitoring across asset classes  | ✓      | Public     |           |   |   |   |   |   | ✓       |
| SAM 04   | Breakdown of passive, active quant and active fundamental                 | ✓      | Public     |           |   |   |   |   |   | ✓       |
| SAM 05   | ESG incorporation strategies  | ✓      | Public     | ✓         | ✓ |   |   |   |   |         |
| SAM 06   | Selection processes (listed assets)                                       | ✓      | Public     | ✓         |   |   |   |   | ✓ |         |
| SAM 07   | Appointment considerations (listed assets)                                | ✓      | Public     |           |   |   | ✓ |   |   |         |
| SAM 08   | Monitoring processes (listed assets)                                      | ✓      | Public     | ✓         |   |   |   |   |   |         |
| SAM 09   | Percentage of (proxy) votes cast  | 🔒      | n/a        |           | ✓ |   |   |   |   |         |
| SAM 10   | Selection processes (non-listed assets)                                   | ✓      | Public     | ✓         |   |   |   |   | ✓ |         |
| SAM 11   | Appointment considerations (non-listed assets)                            | ✓      | Public     |           |   |   | ✓ |   |   |         |
| SAM 12   | Monitoring processes (non-listed assets)                                  | ✓      | Public     | ✓         |   |   |   |   | ✓ |         |
| SAM 13   | Description of RI considerations in 'other' asset classes                 | ✓      | Public     | ✓         |   |   |   |   | ✓ |         |
| SAM 14   | Percentage of externally managed assets managed by PRI signatories        | ✓      | Public     | ✓         |   |   |   |   | ✓ |         |
| SAM 15   | Examples of ESG issues in selection, appointment and monitoring processes | ✓      | Public     |           | ✓ |   |   |   |   |         |
| SAM 16   | Disclosure of RI considerations   | ✓      | Public     |           |   |   |   |   | ✓ |         |

| 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         | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 02                               | Description of ESG incorporation  | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 03                               | Percentage of each incorporation strategy   | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 04                               | Type of ESG information used in investment decision                                 | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 05                               | Information from engagement and/or voting used in investment decision-making        | ✓      | Public     | ✓         |   |   |   |   |   |         |
| 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                                  | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 09                               | Types of sustainability thematic funds/mandates                                     | 🔒      | n/a        | ✓         |   |   |   |   |   |         |
| LEI 10                               | Description of ESG integration  | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 11                               | Review ESG issues while researching companies/sectors                               | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 12                               | Processes to ensure integration is based on robust analysis                         | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 13                               | Aspects of analysis ESG information is integrated into                              | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 14                               | ESG issues in index construction  | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 15                               | How ESG incorporation has influenced portfolio composition                          | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 16                               | Incorporation of ESG issues has improved financial/ESG performance and reduced risk | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 17                               | Examples of ESG issues that affected your investment view / performance             | ✓      | Public     | ✓         |   |   |   |   |   |         |
| 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  | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 02                                  | Reasoning for interaction on ESG issues                                      | ✓      | Public     | ✓         | ✓ | ✓ |   |   |   |         |
| LEA 03                                  | Process for identifying and prioritising engagement activities               | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 04                                  | Objectives for engagement activities   | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 05                                  | Process for identifying and prioritising engagement activities               | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 06                                  | Objectives for engagement activities   | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 07                                  | Role in engagement process   | ✓      | Public     |           | ✓ |   | ✓ |   |   |         |
| LEA 08                                  | Monitor / discuss service provider information                               | ✓      | Public     |           | ✓ |   |   |   | ✓ |         |
| LEA 09                                  | Share insights from engagements with internal/external managers              | ✓      | Public     | ✓         | ✓ |   |   |   |   |         |
| LEA 10                                  | Tracking number of engagements   | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 11                                  | Number of companies engaged with, intensity of engagement and effort         | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 12                                  | Engagements on E, S and/or G issues  | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 13                                  | Companies changing practices / behaviour following engagement                | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 14                                  | Examples of ESG engagements  | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 15                                  | Disclosure of approach to ESG engagements                                    | ✓      | Public     |           | ✓ |   |   |   | ✓ |         |
| LEA 16                                  | Description of approach to (proxy) voting                                    | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 17                                  | Typical approach to (proxy) voting decisions                                 | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 18                                  | Percentage of voting recommendations reviewed                                | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 19                                  | Confirmation of votes  | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 20                                  | Securities lending programme   | ✓      | Public     |           | ✓ |   |   |   |   |         |
| 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                 | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 24                                  | Shareholder resolutions  | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 25                                  | Examples of (proxy) voting activities  | ✓      | Public     |           | ✓ |   |   |   |   |         |
| 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         | ✓      | Public     | ✓         |   |   |   |   |   |         |
| FI 02                 | Breakdown of investments by credit quality  | ✓      | Public     |           |   |   |   |   |   | ✓       |
| FI 03                 | Description of ESG incorporation  | ✓      | Public     | ✓         |   |   |   |   |   |         |
| FI 04                 | Percentage of each incorporation strategy   | ✓      | Public     | ✓         |   |   |   |   |   |         |
| FI 05                 | Type of ESG information used in investment decision                                 | ✓      | Public     | ✓         |   |   |   |   |   |         |
| 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                                  | ✓      | Public     | ✓         |   |   |   |   |   |         |
| FI 09                 | Types of sustainability thematic funds/mandates                                     | 🔒      | n/a        | ✓         |   |   |   |   |   |         |
| FI 10                 | Description of ESG integration  | ✓      | Public     | ✓         |   |   |   |   |   |         |
| FI 11                 | Review of ESG issues while researching companies/sectors                            | ✓      | Public     | ✓         |   |   |   |   |   |         |
| FI 12                 | Processes to ensure integration is based on robust analysis                         | ✓      | Public     | ✓         |   |   |   |   |   |         |
| FI 13                 | Incorporation of ESG issues into analysis and decision making                       | ✓      | Public     | ✓         |   |   |   |   |   |         |
| FI 14                 | ESG issues in index construction  | ✓      | Public     | ✓         |   |   |   |   |   |         |
| FI 15                 | How ESG incorporation has influenced portfolio composition                          | ✓      | Public     | ✓         |   |   |   |   |   |         |
| FI 16                 | Incorporation of ESG issues has improved financial/ESG performance and reduced risk | ✓      | Public     | ✓         |   |   |   |   |   |         |
| FI 17                 | Examples of ESG issues that affected your investment view / performance             | ✓      | Public     | ✓         |   |   |   |   |   |         |
| FI 18                 | Disclosure of approach to ESG incorporation   | ✓      | Public     |           | ✓ |   |   |   | ✓ |         |
| FI 19                 | Engagement with corporate issuers   | ✓      | Public     |           | ✓ |   |   |   |   |         |
| FI 20                 | Engagement with government issuers  | ✓      | Public     |           | ✓ |   |   |   |   |         |



| Direct - Inclusive Finance |   |        |            | Principle |   |   |   |   |   |   | General |
|----------------------------|---|--------|------------|-----------|---|---|---|---|---|---|---------|
| Indicator                  | Short description   | Status | Disclosure | 1         | 2 | 3 | 4 | 5 | 6 | 7 |         |
| IFD 01                     | Mission and investment objective  | ✓      | Public     |           |   |   |   |   |   |   | ✓       |
| IFD 02                     | Governance, management structures and processes   | ✓      | Public     |           |   |   |   |   |   |   | ✓       |
| IFD 03                     | Social targets  | ✓      | Public     |           |   |   |   |   |   |   | ✓       |
| IFD 04                     | Percentage in equity, debt and guarantees   | ✓      | Public     |           |   |   |   |   |   |   | ✓       |
| IFD 05                     | Percentage in microfinance and/or SME finance   | ✓      | Public     |           |   |   |   |   |   |   | ✓       |
| IFD 06                     | Geographical spread of microfinance investments   | ✓      | Public     |           |   |   |   |   |   |   | ✓       |
| IFD 07                     | Tracking microfinance investees portfolio   | ✓      | Public     | ✓         |   |   |   |   |   |   |         |
| IFD 08                     | Support financial services beyond credit, compulsory savings and/or compulsory insurance    | ✓      | Public     | ✓         |   |   |   |   |   |   |         |
| IFD 09                     | Support the introduction of services tailored to the 'poor', 'very poor' and 'low income'   | ✓      | Public     | ✓         |   |   |   |   |   |   |         |
| IFD 10                     | Technical assistance to investees   | ✓      | Public     | ✓         |   |   |   |   |   |   |         |
| IFD 11                     | Public endorsement of the Client Protection Principles                                      | ✓      | Public     |           | ✓ |   |   |   |   |   |         |
| IFD 12                     | Provide training and assistance for investees implementing the Client Protection Principles | ✓      | Public     |           | ✓ |   |   |   |   |   |         |
| IFD 13                     | Include the Client Protection Principles in investment policies                             | ✓      | Public     |           | ✓ |   |   |   |   |   |         |
| IFD 14                     | Investment in local currency  | ✓      | Public     |           |   | ✓ |   |   |   |   |         |
| IFD 15                     | Average maturity of debt investments  | ✓      | Public     |           |   | ✓ |   |   |   |   |         |
| IFD 16                     | Average holding period of equity investments  | 🔒      | n/a        |           |   | ✓ |   |   |   |   |         |
| IFD 17                     | Terms and conditions  | ✓      | Public     |           |   | ✓ |   |   |   |   |         |
| IFD 18                     | Tools for social performance reporting  | ✓      | Public     |           |   |   | ✓ |   |   |   |         |
| IFD 19                     | Retail institutions have independent financial/social rating and/or social audit            | ✓      | Public     |           |   |   | ✓ |   |   |   |         |
| IFD 20                     | Due diligence on and monitoring and reporting of corporate governance among investees       | ✓      | Public     |           |   |   | ✓ |   |   |   |         |
| IFD 21                     | Training or assistance for investees on corporate governance                                | ✓      | Public     |           |   |   | ✓ |   |   |   |         |
| IFD 22                     | Percentage of investees where board seats are held  | 🔒      | n/a        |           |   |   | ✓ |   |   |   |         |
| IFD 23                     | Procedure to integrate environmental issues in investment decision processes                | ✓      | Public     |           |   |   | ✓ |   |   |   |         |
| IFD 24                     | Anti-corruption and whistle-blowing policies  | ✓      | Public     |           |   |   | ✓ |   |   |   |         |
| IFD 25                     | How mission and investment objectives are communicated to stakeholders                      | ✓      | Public     |           |   |   |   | ✓ |   |   |         |
| IFD 26                     | Investors and/or the public provided with information aligned with industry standards       | ✓      | Public     |           |   |   |   | ✓ |   |   |         |
| IFD 27                     | Transparency of pricing, terms and conditions among investees                               | ✓      | Public     |           |   |   |   | ✓ |   |   |         |
| IFD 28                     | How social performance of investees affects decision making and portfolio management        | ✓      | Public     |           |   |   |   |   | ✓ |   |         |
| IFD 29                     | Staff incentives linked to social performance measures                                      | ✓      | Public     |           |   |   |   |   | ✓ |   |         |
| IFD 30                     | Collecting data regarding social outcomes of investees work                                 | ✓      | Public     |           |   |   |   |   | ✓ |   |         |



|        |   |   |        |  |  |  |  |  |   |   |  |
|--------|---|---|--------|--|--|--|--|--|---|---|--|
| IFD 31 | Incentivise investees to track social performance   | ✓ | Public |  |  |  |  |  | ✓ |   |  |
| IFD 32 | Collaborative initiatives your organisation has supported or participated in  | ✓ | Public |  |  |  |  |  |   | ✓ |  |
| IFD 33 | Encouraging investees to participate in collaborative initiatives   | ✓ | Public |  |  |  |  |  |   | ✓ |  |
| IFD 34 | Encouraging your investees to participate in initiatives which contribute to the development of industry benchmarks | ✓ | Public |  |  |  |  |  |   | ✓ |  |

# SNS Asset Management

## 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 only services

|       |           |         |         |
|-------|-----------|---------|---------|
| OO 02 | Mandatory | Peering | General |
|-------|-----------|---------|---------|

**OO 02.1** Select the location of your organisation's headquarters.

Netherlands

**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

110

|       |           |             |         |
|-------|-----------|-------------|---------|
| OO 03 | Mandatory | Descriptive | General |
|-------|-----------|-------------|---------|

**OO 03.1**

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ☐ Yes  
☒ No

**OO 04**

**Mandatory**

**Gateway/Peering**

**General**

**OO 04.1**

Indicate the year end date for your reporting year.

31/12/2013

**OO 04.2**

Indicate your total AUM at the end of your reporting year.

|               | trillions | billions | millions | thousands | hundreds |
|---------------|-----------|----------|----------|-----------|----------|
| Total AUM     |           | 44       | 002      | 000       | 000      |
| Currency      | EUR       |          |          |           |          |
| Assets in USD |           | 57       | 959      | 174       | 311      |

**OO 04.3**

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

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

**OO 06**

**Mandatory**

**Descriptive**

**General**

**OO 06.1**

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

- ☒ Publish our asset class mix as broad ranges

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

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

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

|       |                     |                       |         |         |
|-------|---------------------|-----------------------|---------|---------|
| OO 07 | Mandatory to Report | Voluntary to Disclose | Peering | General |
|-------|---------------------|-----------------------|---------|---------|

OO 07.1

Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.

|  | % of externally managed assets   |
|--|--|
| Segregated mandate(s)                  | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input checked="" type="radio"/> 10-50%<br><input type="radio"/> >50 % |
| Pooled fund(s)                         | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input checked="" type="radio"/> 10-50%<br><input type="radio"/> >50 % |
| <i>Total externally managed assets</i> | <i>100%</i>  |

OO 07.2

Indicate the proportion of your externally managed assets in fund-of-funds.

|               |  |
|---------------|--|
|               | % of externally managed assets   |
| Fund-of-funds | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input checked="" type="radio"/> 10-50%<br><input type="radio"/> >50 % |

|       |   |         |         |
|-------|---|---------|---------|
| OO 08 | Mandatory to Report Voluntary to Disclose | Peering | General |
|-------|---|---------|---------|

|         |  |
|---------|--|
| OO 08.1 | Indicate the breakdown of your organisation's AUM by market. |
|---------|--|

| Market breakdown                     | % of AUM   |
|--------------------------------------|--|
| Developed Markets                    | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input checked="" type="radio"/> >50 % |
| Emerging, Frontier and Other Markets | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input checked="" type="radio"/> 10-50%<br><input type="radio"/> >50 % |

|       |           |             |         |
|-------|-----------|-------------|---------|
| OO 09 | Voluntary | Descriptive | General |
|-------|-----------|-------------|---------|

**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.

**Who we are**

SNS Asset Management is the responsible investor for institutional clients. Through sustainable performance, service and advice, we help our clients achieve their investment goals.

This means we do much more than just offer products. We proactively think along with our clients and propose customised solutions. Everything we do is done responsibly and in cooperation with our clients.

We constantly seek to exceed our clients' expectations by expanding the services that are tailored to their specific needs. We are responsible for both the management and the administration of our clients' assets.

**Mission & Vision**

We are SNS Asset Management! Our mission is to assist our clients in achieving their investment goals by providing them sustainable performance, service and advice.

To be responsible, innovative and leading in everything we do, whilst working for and with our clients - that is our vision.

## 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 address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- ☒ 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**



|                |  |
|----------------|--|
| <b>OO 11.1</b> | 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
- ☒ Inclusive finance
- ☐ Cash
- ☐ None of the above

|                |  |
|----------------|--|
| <b>OO 11.2</b> | Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes. |
|----------------|--|

- ☒ Fixed income – corporate
- ☐ Fixed income – government
- ☒ Fixed Income – other
- ☐ Private debt
- ☒ Private equity
- ☐ Property
- ☐ None of the above

|              |                  |                |                |
|--------------|------------------|----------------|----------------|
| <b>OO 12</b> | <b>Mandatory</b> | <b>Gateway</b> | <b>General</b> |
|--------------|------------------|----------------|----------------|

|                |   |
|----------------|---|
| <b>OO 12.1</b> | The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, 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. Direct - Fixed Income and Infrastructure are always 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

☒ Inclusive Finance

**RI implementation via external managers**

Indirect - Selection, Appointment and Monitoring of External Managers

- ☒ Listed Equities
- ☒ Fixed Income - Corporate
- ☒ Fixed Income - Other
- ☒ Private Equity

**Closing module**

☒ Closing module

**Note:** Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

# SNS Asset Management

## Reported Information

### Public version

### Overarching Approach

## 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.

## Responsible investment policy

| OA 01 | Mandatory | Gateway/Core Assessed | General |
|-------|-----------|-----------------------|---------|
|-------|-----------|-----------------------|---------|

**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

Corporate responsibility is an important characteristic of all SNS REAAL business units and products. As SNS REAAL's asset manager, SNS AM has thus developed a responsible investment policy, called its Fundamental Investment Principles (FIP). They are based on international treaties, conventions and 'best practices', like the UN Global Compact, OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the ICGN Corporate Governance Principles. The Fundamental Investment Principles are not based on subjective preferences, but on widely supported values in global civil society, which have been internationally laid down in authoritative documents and cover the following areas:

- human rights
- fundamental labour rights
- corruption
- the environment
- weapons
- client and product integrity

SNS AM's Fundamental Investment Principles are included in a carefully developed policy document containing detailed substantiation providing insight of SNS AM's points of view. The document is available on the website ([www.snsam.nl](http://www.snsam.nl)).

In executing its policy, SNS AM made a decision to focus on the natural resources industry. This covers the following sectors: mining, oil and gas (including nuclear energy), forestry and paper, and food and agriculture. SNS AM chose to focus on these sectors because this is where the ESG-impact and risks are the greatest.

The Fundamental Investment Principles and the sector frameworks are all approved by the SNS AM Selection Committee, reporting to the board of directors. The SNS AM Selection Committee decides on the eligibility of investments based on the advice of the ESG Research team. This decision and policy-making body comprises at least four and possibly five members: two members of the management board - with the CEO performing the role of Chair; the CIO; the Head of the ESG Research team; and at least one independent external member, who is invited by the Chair. The SNS AM Selection Committee can decide to include or exclude a company, institution or country in its investment universe, or to begin a constructive dialogue with a company. It is informed about the progress of the constructive dialogues at every meeting (at least once a quarter).

The Selection Committee is also authorised to request a revision of ESG-related research processes and methodologies or to decide to revise the Fundamental Investment Principles or sector and issue frameworks.

The Fundamental Investment Principles are applicable to all assets managed by SNS AM itself

(95%). For the remainder of the assets that are managed externally, SNS AM expects its external asset managers to use a responsible investment strategy that is in line with that of SNS AM. To ensure this, SNS AM has developed a 'third parties framework' and a policy for responsible investment in commodities and private equity. If necessary, an engagement will set up to improve the SRI performance of external managers. For more details, please revert to the relevant section on manager selection / assets not managed in-house.

|       |           |               |       |
|-------|-----------|---------------|-------|
| OA 02 | Mandatory | Core Assessed | PRI 6 |
|-------|-----------|---------------|-------|

|         |   |
|---------|---|
| 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 |
|--|-----|

<http://www.snsam.nl/en/>

☐ 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   |
|--|---|
| Investment policy natural resources industries | <a href="http://www.snsam.nl/en/sustainability/position-papers">http://www.snsam.nl/en/sustainability/position-papers</a> |
| Fundamental Investment Principles              | <a href="http://www.snsam.nl/en/sustainability/position-papers">http://www.snsam.nl/en/sustainability/position-papers</a> |
| Voting Policy                                  | <a href="http://www.snsam.nl/en/sustainability/position-papers">http://www.snsam.nl/en/sustainability/position-papers</a> |
| Responsible investment third party solutions   | <a href="http://www.snsam.nl/en/sustainability/position-papers">http://www.snsam.nl/en/sustainability/position-papers</a> |
| Our position on landgrabbing                   | <a href="http://www.snsam.nl/en/sustainability/position-papers">http://www.snsam.nl/en/sustainability/position-papers</a> |

☐ 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<br><input checked="" type="checkbox"/> (Proxy) voting policy<br><input checked="" type="checkbox"/> Engagement/active ownership policy<br><input checked="" type="checkbox"/> Specific guidelines on corporate governance<br><input checked="" type="checkbox"/> Specific guidelines on environmental issues<br><input checked="" type="checkbox"/> Specific guidelines on social issues<br><input checked="" type="checkbox"/> Asset class-specific guidelines<br><input checked="" type="checkbox"/> Screening/exclusion policy<br><input checked="" type="checkbox"/> Other, specify<br>sector specific policies<br><input type="checkbox"/> Other, specify | <input checked="" type="radio"/> Applicable policies cover all AUM<br><input type="radio"/> Applicable policies cover a majority of AUM<br><input type="radio"/> Applicable policies cover a minority of AUM |

|       |           |               |         |
|-------|-----------|---------------|---------|
| 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]

There is a company wide policy on conflicts of interest and Chinese Walls. Goal of this policy is to limit the possibility of any potential conflicts of interest and respond properly if a conflict of interest does occur. Compliance to the policy is monitored by the responsible management of a business unit and an independent compliance officer. Besides that an internal audit committee provides an independent assessment on the overall effectiveness of the control measures of all business units. An example of a control measure is the development of so called 'Chinese Walls'.

☐ 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

OA 06

Voluntary

Descriptive

General

OA 06.1

List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

☒ Add responsible investment objective 1

|                                |  |
|--------------------------------|--|
| Objective 1                    | SNS AM as responsible investment leader for SNS REAAL's brands                       |
| Key performance indicators     | Zwitserleven and REAAL marked 1 and 2 in the VBDO (Dutch Sif) Benchmark for insurers |
| Describe the progress achieved | Zwitserleven 1; Reaal 2  |

☒ Add responsible investment objective 2

|                                |   |
|--------------------------------|---|
| Objective 2                    | SNS AM as responsible investment leader for SNS REAAL's brands          |
| Key performance indicators     | SNS AM as top 10 in UNPRI Report on Progress 2013 / 2015                |
| Describe the progress achieved | The next UN PRI Report on Progress will be published at the end of 2014 |

☐ Add responsible investment objective 3

|                |   |
|----------------|---|
| <b>OA 06.2</b> | List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress. |
|----------------|---|

☒ Add responsible investment objective 1 for the next reporting year

|   |  |
|---|--|
| Objective 1 for the next reporting year | SNS AM as responsible investment leader for SNS REAAL's brands           |
| Key performance indicators              | Zwitserleven and REAAL marked 1 and 2 in the VBDO Benchmark for insurers |

☒ Add responsible investment objective 2 for the next reporting year

|   |  |
|---|--|
| Objective 2 for the next reporting year | SNS AM as responsible investment leader for SNS REAAL's brands |
| Key performance indicators              | SNS AM as top 10 in UNPRI Report on Progress 2013 / 2015       |

☒ Add responsible investment objective 3 for the next reporting year

|   |   |
|---|---|
| Objective 3 for the next reporting year | Improve level and number of engagements                                   |
| Key performance indicators              | number of milestones achieved as explained in the active ownership module |

## Governance and human resources

| OA 07 | Voluntary | Descriptive | General |
|-------|-----------|-------------|---------|
|-------|-----------|-------------|---------|

|         |   |
|---------|---|
| OA 07.1 | Provide a brief description of your organisation's governance, management structures and processes related to responsible investment. |
|---------|---|

The ultimate decision of SNS AM's policies, exclusions and engagements lies in the hands of the SNS AM Selection Committee (please check OA 01.3). The day-to-day business is operated by the ESG Research team. The ESG Research team consists of 8 people, including 2 interns. The head of the ESG Research team reports directly to the CEO of SNS AM.

☐ 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 |
|-------|-----------|-----------------------|---------|
|-------|-----------|-----------------------|---------|

|         |   |
|---------|---|
| OA 08.1 | Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment. |
|---------|---|

|  |                                    |
|--|------------------------------------|
|  | Roles present in your organisation |
|--|------------------------------------|

- ☐ Board members or trustees
- ☒ 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  
CCO and COO

- ☒ Oversight/accountability for responsible investment
- ☐ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Portfolio managers
  - ☐ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investment analysts
  - ☐ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Dedicated responsible investment staff
  - ☐ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ External managers or service providers
  - ☐ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other role, specify
- ☐ Other role, specify

|                |   |
|----------------|---|
| <b>OA 08.2</b> | Indicate the number of dedicated responsible investment staff your organisation has. [Optional] |
|----------------|---|

|  |        |
|--|--------|
|  | Number |
|--|--------|

8

|                |                                    |
|----------------|------------------------------------|
| <b>OA 08.3</b> | Additional information. [Optional] |
|----------------|------------------------------------|

including 2 interns (on average).

CCO: Chief Commercial Officer

COO: Chief Operational Officer

|              |                  |                            |                |
|--------------|------------------|----------------------------|----------------|
| <b>OA 09</b> | <b>Voluntary</b> | <b>Additional Assessed</b> | <b>General</b> |
|--------------|------------------|----------------------------|----------------|

**OA 09.1**

Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

**Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee**

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☐ Responsible investment included in personal development and/or training plan
- ☐ None of the above

**Other C-level staff or head of department****CCO and COO**

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☐ Responsible investment included in personal development and/or training plan
- ☐ None of the above

**Portfolio managers**

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

**Investment analysts**

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

**Dedicated responsible investment staff**

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

**Promoting responsible investment****OA 10****Mandatory****Core Assessed****PRI 4,5**

**OA 10.1**

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

☒ Yes

**OA 10.2**

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**

- ☐ 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]

investor signatory

- ☒ CDP Forests

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]

investor signatory

- ☒ CDP Water

|  |
|--|
| 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] |
|--|

investor signatory

- ☐ CFA Institute Centre for Financial Market Integrity  
☐ Council of Institutional Investors (CII)  
☒ Eumedion

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

- ☐ Basic  
☐ Moderate  
☒ Advanced

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

member (basic)& Investment committee member (advanced)

- ☒ Extractive Industries Transparency Initiative (EITI)

|  |
|--|
| 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] |
|--|

Alternate Board Member

- ☐ 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] |
|--|

member

- ☐ 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  
☒ Principles for Responsible Investment

|  |
|--|
| 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] |
|--|

Steering Committee member and Advisory Group member fixed income Workstream, Founding Signatory Sponsor Principles for Investors in Inclusive Finance (Impact Investing), Steering committee Fracking working group.

- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

VBDO (Dutch Sif), EuroSif

|  |
|--|
| 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]

- Financial support
- Develop position papers
- Organize workshops/meetings
- Member of steering committee analyst network

- ☐ Shareholder Association for Research and Education (Share)
- ☐ United Nations Environmental Program Finance Initiative (UNEP FI)
- ☒ United Nations Global Compact

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]

SNS Reaal is a Participant

- ☒ Other collaborative organisation/initiative, specify

Natural Capital Declaration

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]

member / signatory

- ☒ Other collaborative organisation/initiative, specify

Dufas

|  |  |
|--|--|
|  | 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] |
|--|--|

member, signatory

- ☒ Other collaborative organisation/initiative, specify

NPM

|  |  |
|--|--|
|  | 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] |
|--|--|

member / signatory

- ☒ Other collaborative organisation/initiative, specify

Verbond voor Verzekeraars (VvV0

|  |  |
|--|--|
|  | 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] |
|--|--|

Member. Also several staff members, including the board of directors, are involved in different ways with the *Verbond voor Verzekeraars*.

☐ No

|       |           |               |       |
|-------|-----------|---------------|-------|
| 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

write columns and articles on responsible investment. For instance on IEX.nl, a Dutch forum for retail consumers on investing.

☐ No

| OA 12 | Voluntary | Additional Assessed | PRI 4,5,6 |
|-------|-----------|---------------------|-----------|
|-------|-----------|---------------------|-----------|

**OA 12.1**

Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

☒ Yes

- ☐ Yes, individually
- ☒ Yes, in collaboration with others

**OA 12.2**

Select the methods you have used.

- ☒ Endorsed written submissions to governments, regulators or standard-setters developed by others
- ☒ Drafted your own written submissions to governments, regulators or standard-setters
- ☒ Participated in face-to-face meetings with government members or officials to discuss policy
- ☐ Other, specify

**OA 12.3**

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

☒ Yes, publicly available

|  |             |
|--|-------------|
|  | provide URL |
|--|-------------|

<http://www.sec.gov/comments/df-title-xv/resource-extraction-issuers/resourceextractionissuers-1.pdf>

☐ No

☐ No

## ESG issues in asset allocation

| OA 13 | Voluntary | Descriptive | PRI 1 |
|-------|-----------|-------------|-------|
|-------|-----------|-------------|-------|

**OA 13.1** Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

☐ Yes

☒ No

| OA 14 | Voluntary | Descriptive | PRI 1 |
|-------|-----------|-------------|-------|
|-------|-----------|-------------|-------|

**OA 14.1** Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

☒ Yes

**OA 14.2** Indicate the percentage of your total AUM invested in environmental and social themed areas.

|  |                |
|--|----------------|
|  | % of total AUM |
|--|----------------|

1.7

**OA 14.3** Please specify which thematic area(s) you invest in and provide a brief description.

|  |      |
|--|------|
|  | Area |
|--|------|

- ☐ Clean technology
- ☐ Green buildings
- ☐ Sustainable forestry
- ☐ Sustainable agriculture
- ☒ Microfinance

| Asset class invested |
|----------------------|
|----------------------|

- ☐ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☐ Private equity
- ☒ Inclusive finance

| Brief description of investment |
|---------------------------------|
|---------------------------------|

please check inclusive finance module

☒ SME financing

| Asset class invested |
|----------------------|
|----------------------|

- ☐ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☐ Private equity
- ☒ Inclusive finance

| Brief description of investment |
|---------------------------------|
|---------------------------------|

please check inclusive finance module

☒ Social enterprise / community investing

| Asset class invested |
|----------------------|
|----------------------|

- ☐ Listed equity
- ☒ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☐ Private equity
- ☐ Inclusive finance

|  |                                 |
|--|---------------------------------|
|  | Brief description of investment |
|--|---------------------------------|

Council of Europe (social) bond

- ☐ Affordable housing
- ☐ Education
- ☐ Global health
- ☒ Other area, specify

Green bonds

|  |                      |
|--|----------------------|
|  | Asset class invested |
|--|----------------------|

- ☐ Listed equity
- ☒ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☐ Private equity
- ☐ Inclusive finance

☐ No

## Assurance of responses

| OA 19 | Voluntary | Additional Assessed | General |
|-------|-----------|---------------------|---------|
|-------|-----------|---------------------|---------|

|                |   |
|----------------|---|
| <b>OA 19.1</b> | Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties. |
|----------------|---|

☒ Yes

|                |  |
|----------------|--|
| <b>OA 19.2</b> | Indicate who has reviewed, validated and/or assured your reported information. |
|----------------|--|

- ☒ Reviewed by Board, CEO, CIO or Investment Committee
- ☐ Validated by internal audit or compliance function
- ☐ Assured by an external independent provider, specify name

☐ No



# SNS Asset Management

## Reported Information

### Public version

#### Indirect – Manager Selection, Appointment and Monitoring

## 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.

## Overview

| SAM 01 | Voluntary | Descriptive | PRI 1-6 |
|--------|-----------|-------------|---------|
|--------|-----------|-------------|---------|

SNS AM holds responsible investing in high regard. This is also true when external managers are involved.

To fully appreciate SNS AM's approach in responsible investing with regard to external managers, it is important to realize that SNS AM has multiple clients and invests in a broad array of asset classes through external managers.

In general, we strive to get a thorough understanding of an external manager's responsible investment policy at the earliest stage in a search for an external manager. We are no proponents of declaring one best way of incorporating responsible investing, but we do encourage external managers to have a strong responsible investment strategy which they back with conviction, and which can be explained in detail to us. Managers are required to adhere to the recently implemented Dutch law prohibiting investing in cluster munition.

When we seek to appoint an external manager to invest in liquid asset classes, we have a strong preference for selecting a PRI signatory. The rankings within the PRI reports can be a further differentiator. If we decide against selecting a PRI signatory for an equity investment, our governance structure requires us to formally get clearance by going through the investment thesis thoroughly and convincing the committee members that other investment considerations outweigh the lack of PRI membership in this case, and that there is no alternative PRI signatory manager who we judge to be at least equally qualified. Naturally, this preference for selecting PRI signatories holds true when investing in less liquid asset classes as well. However, due to the nature of these asset classes, the prevalence of PRI signatories would typically be smaller, limiting our options.

Should we, for other reasons related to our fiduciary duties, be forced to opt for a manager with a less laudable RI profile, we choose to engage with that party. We will enter into a dialogue aimed at understanding the manager's motivations to not have high RI ambitions, and we will render our views and expectations clear, indicating what changes we would expect. We are currently engaging with one of the world's largest asset managers in this way, together with a fellow investor also being a client with this manager. Following our pressure, including our threat to advise clients to end their business relationship with the asset manager, the latter has made clear commitments to strengthen its RI profile in the course of 2014 and onwards.

SNS AM has a company-wide exclusion list. All internal investment teams will strictly refrain from investing in names on this list. We encourage external managers to adhere to this exclusion list, as well. Is the external investment structured as a segregated mandate, we enforce adherence to our exclusion list. If the investment vehicle is a mutual fund, we are bound by the broader investment guidelines set the fund. We will still point out the importance of avoiding investment in the names on our exclusion list, but enforcement in this case is difficult.

We feel active ownership is an integral part of being a responsible investment manager. Hence, we require external managers to vote proxies and to engage on our behalf. For segregated accounts, we vote the stocks in managers' portfolios ourselves (supported by a service provider) directly, according to our in-house ESG voting policy. On a regular basis, we want to be kept informed on the outcome of the voting process and the current strategy and results of engagement activities.

Responsible investing is fully integrated in our monitoring process. Our policy is to have a minimum of four points of contacts a year with every external manager in our portfolio, preferably at least two of which are face-to-face meetings. In practice, the frequency of interaction is likely much higher. On every monitoring meeting, we work with a template to

assure consistency in the number of essential monitoring elements. Of the six items on the template, ESG / responsible investing is one.

We have chosen not to invest directly in commodities due to responsible investment considerations, as written down in our position paper.

For further detail on our external manager responsible investing policy please check our website. <http://www.snsam.nl/en/sustainability/position-papers>

|               |                  |                      |              |
|---------------|------------------|----------------------|--------------|
| <b>SAM 02</b> | <b>Mandatory</b> | <b>Core Assessed</b> | <b>PRI 4</b> |
|---------------|------------------|----------------------|--------------|

|  |   |
|--|---|
| <b>SAM 02.1</b>  | Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers. |
| <input type="radio"/> Yes<br><input checked="" type="radio"/> No |   |

|               |                  |                |                |
|---------------|------------------|----------------|----------------|
| <b>SAM 03</b> | <b>Mandatory</b> | <b>Gateway</b> | <b>General</b> |
|---------------|------------------|----------------|----------------|

|                 |  |
|-----------------|--|
| <b>SAM 03.1</b> | Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring |
|-----------------|--|

Select all that apply

| Asset classes            | (a) Selection                       | (b) Appointment                     | (c) Monitoring                      |
|--------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Listed equity            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Fixed income - corporate | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Fixed income - other     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Private equity           | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

**Listed equity (LE), fixed income corporate (FIC) and fixed income government (FIG)**

## Overview

|               |  |                        |                |
|---------------|--|------------------------|----------------|
| <b>SAM 04</b> | <b>Mandatory to Report Voluntary to Disclose</b> | <b>Gateway/Peering</b> | <b>General</b> |
|---------------|--|------------------------|----------------|

|                 |  |
|-----------------|--|
| <b>SAM 04.1</b> | Provide a breakdown of your externally managed listed equities, corporate fixed income and government fixed income by passive, active quant, active fundamental and other active strategies. |
|-----------------|--|

## Listed equity (LE)

| Type of strategy                      | As % of externally managed listed equity  |
|---------------------------------------|---|
| Passive                               | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input checked="" type="radio"/> 10-50%<br><input type="radio"/> >50% |
| Active - quantitative (quant)         | <input checked="" type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input type="radio"/> >50% |
| Active - fundamental and other active | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input checked="" type="radio"/> >50% |

## Fixed income - corporate (FIC)

| Type of strategy                      | As % of externally managed corporatefixed income  |
|---------------------------------------|---|
| Passive                               | <input checked="" type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input type="radio"/> >50% |
| Active - quantitative (quant)         | <input checked="" type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input type="radio"/> >50% |
| Active - fundamental and other active | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input checked="" type="radio"/> >50% |

## Fixed income - government (FIG)

| Type of strategy                      | As % of externally managed government fixed income  |
|---------------------------------------|---|
| Passive                               | <input type="radio"/> 0%<br><input checked="" type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input type="radio"/> >50% |
| Active - quantitative (quant)         | <input checked="" type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input type="radio"/> >50% |
| Active - fundamental and other active | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input checked="" type="radio"/> >50% |

|               |                  |                |                |
|---------------|------------------|----------------|----------------|
| <b>SAM 05</b> | <b>Mandatory</b> | <b>Gateway</b> | <b>PRI 1,2</b> |
|---------------|------------------|----------------|----------------|

|                 |   |
|-----------------|---|
| <b>SAM 05.1</b> | Indicate which of the following ESG incorporation strategies you encourage or require your external manager(s) to implement on your behalf: |
|-----------------|---|

|  |                              |
|--|------------------------------|
|  | Active investment strategies |
|--|------------------------------|

| Active investment strategies | LE                                  | FIC                                 |  |
|------------------------------|-------------------------------------|-------------------------------------|--|
| Screening                    | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Thematic                     | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Integration                  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| None of the above            | <input type="checkbox"/>            | <input type="checkbox"/>            |  |

|  |                               |
|--|-------------------------------|
|  | Passive investment strategies |
|--|-------------------------------|

|                                      |                                     |  |  |
|--------------------------------------|-------------------------------------|--|--|
| <b>Passive investment strategies</b> | <b>LE</b>                           |  |  |
| Screening                            | <input checked="" type="checkbox"/> |  |  |
| Thematic                             | <input type="checkbox"/>            |  |  |
| Integration                          | <input type="checkbox"/>            |  |  |
| None of the above                    | <input type="checkbox"/>            |  |  |

**SAM  
05.2**

Indicate if - on your externally managed assets - you engage directly, via service providers, or via your external manager.

|  | <b>LE</b>                           | <b>FIC</b>                          |
|--|-------------------------------------|-------------------------------------|
| We engage directly or via service providers on our externally managed assets | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| We require our external managers to engage on our behalf                     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| None of the above  | <input type="checkbox"/>            | <input type="checkbox"/>            |

**SAM  
05.3**

Indicate if - on your externally managed listed equities - you cast your (proxy) votes directly, via service providers, or via your external manager.

|  | <b>LE</b>                           |
|--|-------------------------------------|
| We cast our (proxy) votes directly or via service providers on our externally managed assets | <input checked="" type="checkbox"/> |
| We require our external managers to cast our (proxy) votes on our behalf                     | <input type="checkbox"/>            |
| None of the above  | <input type="checkbox"/>            |

## Selection

**SAM 06**

**Mandatory**

**Core Assessed**

**PRI 1-6**

**SAM  
06.1**

Indicate whether your organisation, and/or your investment consultant, in the manager selection process for listed assets, typically do any of the following:

General

|   | LE                                  | FIC                                 |  |
|---|-------------------------------------|-------------------------------------|--|
| Review the manager's responsible investment policies  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Discuss managers' governance and management of responsible investment activities                            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Meet staff with responsible investment responsibilities to assess their skills and competence               | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |  |
| Discuss minimum responsible investment expectations that managers must meet                                 | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Discuss the role managers have played in collaborative initiatives  | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Ask whether the organisation is a signatory to the PRI and/or other relevant organisations                  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Review the manager's responsible investment reporting to clients and/or the public, including PRI reporting | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Discuss the type of ESG reporting you expect  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Assign specific weighting to ESG factors in your manager evaluation   | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Other general aspects in your selection process, specify  | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| None of the above   | <input type="checkbox"/>            | <input type="checkbox"/>            |  |

ESG incorporation



|  | LE                                  | FIC                      |  |
|--|-------------------------------------|--------------------------|--|
| Evaluate the quality and coverage of ESG research used by managers   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |  |
| Assess how the manager incentivises brokers to provide ESG research  | <input type="checkbox"/>            | n/a                      |  |
| Assess managers' ESG incorporation strategies and ability to identify and manage ESG issues  | <input checked="" type="checkbox"/> | <input type="checkbox"/> |  |
| Discuss with managers how ESG issues have impacted specific investment decisions and, where relevant, stock or portfolio performance | <input checked="" type="checkbox"/> | <input type="checkbox"/> |  |
| Evaluate index providers' ESG incorporation when designing the index   | <input type="checkbox"/>            | <input type="checkbox"/> |  |
| Other ESG incorporation issues in your selection process, specify  | <input type="checkbox"/>            | <input type="checkbox"/> |  |
| None of the above  | <input type="checkbox"/>            | <input type="checkbox"/> |  |

## Engagements

|   | LE                                  |  |
|---|-------------------------------------|--|
| Discuss the managers' engagement processes  | <input checked="" type="checkbox"/> |  |
| Discuss the role managers have played in influencing companies' ESG practices and performance     | <input checked="" type="checkbox"/> |  |
| Discuss how information gained through engagement is incorporated into investment decision-making | <input type="checkbox"/>            |  |
| Other engagement issues in your selection process, specify  | <input type="checkbox"/>            |  |
| None of the above   | <input type="checkbox"/>            |  |

## Appointment

|        |           |                     |       |
|--------|-----------|---------------------|-------|
| SAM 07 | Voluntary | Additional Assessed | PRI 4 |
|--------|-----------|---------------------|-------|

**SAM  
07.1**

When appointing managers, indicate which of the following responsible investment considerations your organisation typically includes in investment management agreements/contracts for your listed assets:

General

|   | LE                                  |  |  |
|---|-------------------------------------|--|--|
| Acting in accordance with your organisation's overall investment beliefs or policy on responsible investment and ESG issues | <input checked="" type="checkbox"/> |  |  |
| Other general RI considerations in investment management agreements, specify  | <input type="checkbox"/>            |  |  |
| None of the above   | <input type="checkbox"/>            |  |  |

ESG incorporation

|  | LE                                  |  |  |
|--|-------------------------------------|--|--|
| Specific requirements relating to the incorporation of ESG issues into investment decision-making  | <input type="checkbox"/>            |  |  |
| Other RI considerations relating to ESG incorporation in investment management agreements, specify | <input type="checkbox"/>            |  |  |
| None of the above  | <input checked="" type="checkbox"/> |  |  |

Engagement

|   | LE                                  |  |  |
|---|-------------------------------------|--|--|
| Specific requirements relating to engagement  | <input type="checkbox"/>            |  |  |
| Other RI considerations relating to engagement in investment management agreements, specify | <input type="checkbox"/>            |  |  |
| None of the above   | <input checked="" type="checkbox"/> |  |  |

Reporting

|  |                                     |  |  |
|--|-------------------------------------|--|--|
|  | <b>LE</b>                           |  |  |
| Reporting on the agreed responsible investment activities                                  | <input checked="" type="checkbox"/> |  |  |
| Reporting on the ESG characteristics of the portfolio                                      | <input type="checkbox"/>            |  |  |
| Reporting on the impact of ESG issues on financial performance                             | <input type="checkbox"/>            |  |  |
| Other RI considerations relating to reporting in investment management agreements, specify | <input type="checkbox"/>            |  |  |
| None of the above  | <input type="checkbox"/>            |  |  |

## Monitoring

**SAM 08**

**Mandatory**

**Core Assessed**

**PRI 1**

**SAM  
08.1**

Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:

**General**

|  |                                     |                                     |  |
|--|-------------------------------------|-------------------------------------|--|
|  | <b>LE</b>                           | <b>FIC</b>                          |  |
| Include responsible investment as a standard agenda item at performance review meetings  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Highlight examples of good responsible investment practice by other managers   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Review the manager's responsible investment reporting, for example PRI-generated responsible investment reports  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Include responsible investment criteria as a formal component of overall manager performance evaluation  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Other general aspects of your monitoring, specify  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| None of the above  | <input type="checkbox"/>            | <input type="checkbox"/>            |  |

|                   |
|-------------------|
| ESG incorporation |
|-------------------|

|   | LE                                  | FIC                      |  |
|---|-------------------------------------|--------------------------|--|
| Request information on ESG incorporation in specific investment decisions | <input checked="" type="checkbox"/> | <input type="checkbox"/> |  |
| Other ways you monitor ESG incorporation, specify                         | <input type="checkbox"/>            | <input type="checkbox"/> |  |
| None of the above   | <input type="checkbox"/>            | <input type="checkbox"/> |  |

|             |
|-------------|
| Engagements |
|-------------|

|   | LE                                  |  |
|---|-------------------------------------|--|
| Review the ESG information relevant to the engagements                              | <input type="checkbox"/>            |  |
| Discuss the number of engagements and their comprehensiveness                       | <input checked="" type="checkbox"/> |  |
| Discuss the type of role played (i.e. leading or supporting)                        | <input checked="" type="checkbox"/> |  |
| Review the progress of ongoing engagements and/or outcomes of completed engagements | <input type="checkbox"/>            |  |
| Other ways you monitor engagement activities, specify                               | <input type="checkbox"/>            |  |
| None of the above   | <input type="checkbox"/>            |  |

|  |
|--|
| If you select any 'Other' option(s), specify |
|--|

evaluate ranking in UN PRI Benchmark

|   |
|---|
| Private equity (PE), property (PR) and infrastructure (INF) - non-listed assets |
|---|

|           |
|-----------|
| Selection |
|-----------|

|        |           |               |         |
|--------|-----------|---------------|---------|
| SAM 10 | Mandatory | Core Assessed | PRI 1-6 |
|--------|-----------|---------------|---------|

**SAM  
10.1**

Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:

General

|  | PE                                  |  |  |
|--|-------------------------------------|--|--|
| Review the manager's/general partner's responsible investment policy   | <input checked="" type="checkbox"/> |  |  |
| Discuss the manager's governance and management of responsible investment  | <input checked="" type="checkbox"/> |  |  |
| Meet staff with responsible investment responsibilities to assess their skills and competence  | <input checked="" type="checkbox"/> |  |  |
| Discuss minimum responsible investment expectations that managers must meet  | <input checked="" type="checkbox"/> |  |  |
| Discuss the role managers have played in collaborative initiatives   | <input checked="" type="checkbox"/> |  |  |
| Ask whether the organisation is a signatory to the PRI and/or other relevant organisations   | <input checked="" type="checkbox"/> |  |  |
| Assess the external manager's reporting and how it will help you to monitor that it is acting consistent with the agreed-upon ESG-related policies and practices during the life of the fund | <input checked="" type="checkbox"/> |  |  |
| Review the manager's responsible investment disclosure, including PRI reporting  | <input checked="" type="checkbox"/> |  |  |
| Assign specific weighting to ESG factors in your manager evaluation  | <input type="checkbox"/>            |  |  |
| Other general aspects in your selection process, specify   | <input type="checkbox"/>            |  |  |
| None of the above  | <input type="checkbox"/>            |  |  |

Investment selection (pre-investment) of underlying holding

|   | PE                                  |  |  |
|---|-------------------------------------|--|--|
| Assess the manager's policies, processes and systems for identifying ESG-related value drivers and managing material ESG-related risks pre-investment | <input checked="" type="checkbox"/> |  |  |
| Other pre-investment aspects reviewed in your selection process, specify  | <input type="checkbox"/>            |  |  |
| None of the above   | <input type="checkbox"/>            |  |  |

#### Investment monitoring (post-investment) of underlying holding

|   | PE                                  |  |  |
|---|-------------------------------------|--|--|
| Understand if and how the manager influences and supports its portfolio companies'/assets' management of ESG-related risks and pursuit of ESG-related opportunities | <input checked="" type="checkbox"/> |  |  |
| Discuss examples of how managers have previously identified and addressed ESG issues in their portfolios on an ongoing basis  | <input checked="" type="checkbox"/> |  |  |
| Assess the manager's/general partner's approach to managing and disclosing material incidents at the manager / General Partner and underlying holdings              | <input type="checkbox"/>            |  |  |
| Other post-investment aspects reviewed in your selection process, specify   | <input type="checkbox"/>            |  |  |
| None of the above   | <input type="checkbox"/>            |  |  |

### Appointment

| SAM 11          | Voluntary   | Additional Assessed | PRI 4 |
|-----------------|---|---------------------|-------|
| <b>SAM 11.1</b> | When appointing managers, indicate which of the following responsible investment considerations your organisation typically includes in agreements/fund formation contracts for your non-listed assets: |                     |       |
|                 | General   |                     |       |

|   | PE                                  |  |  |
|---|-------------------------------------|--|--|
| Acting in accordance with your organisation's overall investment beliefs or policy on responsible investment and ESG issues | <input checked="" type="checkbox"/> |  |  |
| Other general RI considerations in your agreements, specify   | <input type="checkbox"/>            |  |  |
| None of the above   | <input type="checkbox"/>            |  |  |

#### Investment selection (pre-investment) of underlying holding

|   | PE                                  |  |  |
|---|-------------------------------------|--|--|
| Specific requirements relating to how ESG issues are identified and managed in investment decision-making | <input checked="" type="checkbox"/> |  |  |
| Other RI considerations relating to investment selection in your agreements, specify                      | <input type="checkbox"/>            |  |  |
| None of the above   | <input type="checkbox"/>            |  |  |

#### Investment monitoring (post-investment) of underlying holding

|  | PE                                  |  |  |
|--|-------------------------------------|--|--|
| Specific requirements relating to the manager supporting or influencing the underlying holdings' management of ESG factors | <input type="checkbox"/>            |  |  |
| Other RI considerations relating to investment monitoring in your agreements, specify                                      | <input type="checkbox"/>            |  |  |
| None of the above  | <input checked="" type="checkbox"/> |  |  |

#### Reporting

|   | PE                                  |  |  |
|---|-------------------------------------|--|--|
| Reporting on the agreed ESG implementation activities                     | <input type="checkbox"/>            |  |  |
| Reporting on the ESG characteristics of the portfolio                     | <input type="checkbox"/>            |  |  |
| Reporting on company incidents relating to ESG issues                     | <input type="checkbox"/>            |  |  |
| Reporting on the impact of ESG issues on financial performance            | <input type="checkbox"/>            |  |  |
| Other RI considerations relating to reporting in your agreements, specify | <input type="checkbox"/>            |  |  |
| None of the above   | <input checked="" type="checkbox"/> |  |  |

## Monitoring

| SAM 12          | Mandatory  | Core Assessed | PRI 1-6 |
|-----------------|--|---------------|---------|
| <b>SAM 12.1</b> | Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager, typically do any of the following: |               |         |
|                 | General  |               |         |



|   | PE                                  |  |  |
|---|-------------------------------------|--|--|
| Include responsible investment as a standard agenda item at performance review meetings   | <input checked="" type="checkbox"/> |  |  |
| Highlight examples of good responsible investment practice by other managers  | <input checked="" type="checkbox"/> |  |  |
| Review manager's responsible investment reporting, for example PRI-generated responsible investment reports   | <input checked="" type="checkbox"/> |  |  |
| Encourage your managers to consider joining responsible investment initiatives or organisations or participate in collaborative projects with other investors | <input type="checkbox"/>            |  |  |
| Include responsible investment criteria as a formal component of overall manager performance evaluation   | <input checked="" type="checkbox"/> |  |  |
| Other general aspects of your monitoring, specify   | <input type="checkbox"/>            |  |  |
| None of the above   | <input type="checkbox"/>            |  |  |

#### Investment selection (pre-investment) of underlying holding

|  | PE                                  |  |  |
|--|-------------------------------------|--|--|
| Discuss how the analysis of ESG issues affected investment decisions during the reporting period | <input checked="" type="checkbox"/> |  |  |
| Other ways ESG issues are incorporated in the pre-investment process, specify                    | <input type="checkbox"/>            |  |  |
| None of the above  | <input type="checkbox"/>            |  |  |

#### Investment monitoring (post-investment) of underlying holding

|   | PE                                  |  |  |
|---|-------------------------------------|--|--|
| Request reports on the ESG characteristics of the manager's underlying holdings and discuss related developments that may impact holdings in the fund | <input checked="" type="checkbox"/> |  |  |
| Request examples of ESG issues identified within the portfolio and action taken in response   | <input checked="" type="checkbox"/> |  |  |
| Request details of how ESG factors were considered when preparing to exit from investments  | <input type="checkbox"/>            |  |  |
| Other ways ESG issues are monitored in the post-investment process, specify   | <input type="checkbox"/>            |  |  |
| None of the above   | <input type="checkbox"/>            |  |  |

## Other asset classes

| SAM 13 | Voluntary | Descriptive | PRI 1-6 |
|--------|-----------|-------------|---------|
|--------|-----------|-------------|---------|

**SAM 13.1**

Describe how your organisation, and/or your investment consultants, address responsible investment factors in manager selection, appointment and/or monitoring process for the following asset classes:

| Asset Class          | Description                   |
|----------------------|-------------------------------|
| Fixed income - other | please check question SAM01.1 |

## Outputs and outcomes

| SAM 14 | Mandatory to Report Voluntary to Disclose | Descriptive | PRI 1-6 |
|--------|---|-------------|---------|
|--------|---|-------------|---------|

**SAM 14.1**

Indicate approximately what percentage (+/- 10%) of your externally managed assets are managed by PRI signatories.

|  |   |
|--|---|
|  | % |
|--|---|

84

|                     |                                    |
|---------------------|------------------------------------|
| <b>SAM<br/>14.2</b> | Additional information. [Optional] |
|---------------------|------------------------------------|

The vast majority of our externally managed AuM is covered by PRI signatories. 16% Of our externally managed AuM is managed by asset managers who are not a PRI signatory. More than 80% of the 16% is invested with one major asset manager. We are engaging with that party to convince it to become a PRI fellow. Further, we are critically yet constructively discussing this party's own RI approach.

|               |                  |                    |              |
|---------------|------------------|--------------------|--------------|
| <b>SAM 15</b> | <b>Voluntary</b> | <b>Descriptive</b> | <b>PRI 2</b> |
|---------------|------------------|--------------------|--------------|

|                     |   |
|---------------------|---|
| <b>SAM<br/>15.1</b> | Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year. |
|---------------------|---|

☒ Add Example 1

|                   |  |
|-------------------|--|
| Topic or issue    | European Listed Real Estate  |
| Conducted by      | <input checked="" type="checkbox"/> Internal staff   |
| Asset class       | <input type="checkbox"/> All asset classes<br><input checked="" type="checkbox"/> Listed Equity<br><input type="checkbox"/> Fixed income – corporate bonds<br><input type="checkbox"/> Private equity<br><input type="checkbox"/> Fixed income - other |
| Scope and process | The outsourced ESG solution has been internalised.   |
| Outcomes          | The ESG process is more aligned with all other ESG processes at SNS AM.  |

☒ Add Example 2

|                   |  |
|-------------------|--|
| Topic or issue    | Clustermunition  |
| Conducted by      | <input checked="" type="checkbox"/> Internal staff   |
| Asset class       | <input type="checkbox"/> All asset classes<br><input checked="" type="checkbox"/> Listed Equity<br><input type="checkbox"/> Fixed income – corporate bonds<br><input type="checkbox"/> Private equity<br><input type="checkbox"/> Fixed income - other |
| Scope and process | Setting up a monitoring process to assess if external managers comply with Dutch law on clustermunitions.  |
| Outcomes          | External managers report every quarter if they comply with Dutch law on clustermunition.   |

- ☐ Add Example 3  
☐ Add Example 4  
☐ Add Example 5

## Communication

|               |                  |                      |              |
|---------------|------------------|----------------------|--------------|
| <b>SAM 16</b> | <b>Mandatory</b> | <b>Core Assessed</b> | <b>PRI 6</b> |
|---------------|------------------|----------------------|--------------|

**SAM 16.1** Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.

- ☐ Yes, we disclose information publicly  
☒ Yes, we disclose information to clients/beneficiaries only

**SAM 16.3** Indicate what type of information your organisation proactively discloses to clients and/or beneficiaries about your indirect investments.

- ☒ How responsible investment considerations are included in manager selection, appointment and monitoring processes  
☒ Details of the responsible investment activities carried out by managers on your behalf  
☐ E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership  
☐ Other, specify
- ☐ We do not proactively disclose information to the public and/or clients/beneficiaries

# SNS Asset Management

## Reported Information

### Public version

#### Direct - Listed Equity Incorporation

## 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.

## Overview

LEI 01

Mandatory to Report Voluntary to Disclose

Gateway/Peering

PRI 1

LEI 01.1

Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.

### Strategies

☒ Passive

% of internally managed listed equities

- ☐ <10%
- ☒ 10-50%
- ☐ >50%

☒ Active – quantitative (quant)

% of internally managed listed equities

- ☐ <10%
- ☒ 10-50%
- ☐ >50%

☒ Active – fundamental and other active strategies

% of internally managed listed equities

- ☐ <10%
- ☒ 10-50%
- ☐ >50%

LEI 02

Voluntary

Descriptive

PRI 1

**LEI 02.1**

Provide a brief overview of how you incorporate ESG issues in listed equity investments.

At SNS AM we use several ESG strategies for both actively and passively managed funds. All our funds are screened based on a norms-based screening. The norms we adhere to are laid down in our Fundamental Investment Principles (this will be further explained in module 5 on active ownership). The screening is performed by an external data provider and by SNS AM's own ESG research department. When a company does not comply with the Fundamental Investment Principles, exclusion is probable, but not necessary. Dependent on the character and magnitude of the violation, SNS AM firstly enters into a constructive dialogue ('engagement') with the company. As explained in question OA 01.3, the SNS AM Selection Committee will decide to either exclude a company or start an engagement. SNS AM, in cooperation with the London-based Governance for Owners, also makes use of the right to vote on shareholder meetings for all stocks in the funds.

For the Euro Aandelenfonds, SNS AM also applies a so called best-in-class approach on top of the norms-based screening described above. This entails that ESG analysts determine, at sector level, the top 40% best performing companies per sector weighted at ESG domain, based on the standard investigative process. For this investigation the responsible ESG analyst determines the correct spreading of the ESG weightings on the basis of the issues that are typical for the concerned sector. For example, the importance of a responsible supplier policy for the retail sector, compliance with human rights, labour rights and environmental standards in the mining sector, corruption for defence companies in the capital goods sector, CO2 emissions for the transport sector, responsible forestry management for companies in the media sector that publish books and magazines, and a responsible supplier policy that supervises the buying of conflict minerals for electronics companies in the hardware technology sector. Companies who are not selected as best-in-class but do have a distinct sustainable character can be selected as well. An engagement will be set up with these companies to improve their overall E, S and G performance.

## 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)
- ☒ Screening + Integration strategies

|  |  |
|--|--|
| Percentage of active listed equity to which the strategy is applied (estimate +/- 10%) | <div> <div></div> <div>%</div> </div> <div>100</div> |
|--|--|

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

|  |  |
|--|--|
|  | Total actively managed listed equities |
|--|--|

100%

|                 |   |
|-----------------|---|
| <b>LEI 03.2</b> | Describe your primary reasons for choosing a particular ESG incorporation strategy. |
|-----------------|---|

As we have no thematic fund we only use screening and integration strategies for our actively managed funds



**LEI 03.3**

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

The active fund incorporates two strategies. We first screen the investment universe and exclude any company that does not comply with our Fundamental Investment Principles (please check LEI 02.1 for more info). Together with portfolio management we then construct a portfolio selecting the best top 40% companies in a specific sector. Each company is scored based on their performance on E, S and G policies, management systems and controversies. Next to that we select companies who fall out of the top 40% selection but who do have a distinct sustainable profile. This process is called positive selection and generally consists of four separate steps. To start with, the portfolio managers and ESG Research analysts will combine their forces to find companies that will meet sustainability criteria as well as basic financial criteria. Typically new company ideas emerge from either sector reviews that are performed on a regular basis or from daily news flow and stock broker research. After first screens for sustainable company activities (social or environmental beneficial activities such as wind and solar energy generation), ESG Research will determine the company's level of disclosure, its ESG performance, its strengths and weaknesses. Similarly, the portfolio managers will do a review of the company's financial situation (focus on the company's size and liquidity of the stock) and when both of the screens will have resulted in a positive conclusion, the company will be reviewed in greater detail and subjects for engagement will be identified on both ESG as well as on the financial end. One should bear in mind, however, that since the initial research phase generally shows gaps in the information disclosed by the company, a high(er) level of transparency towards stakeholders can be a typical engagement objective to start from. Depending on the outcomes of such disclosure, a further, more precise definition of objectives may be possible as the dialogue progresses. Finally, after portfolio managers will have decided to include the stock in their portfolio (this remains their decision) the responsible ESG analysts and portfolio managers will jointly start engagement to address the subjects they found earlier and see if and how progress can be made in those areas. Company visits, conference calls or similar can be part of the applied instruments to keep engagement going. Progress will be reported to the SNS AM Selection Committee as engagement develops.

**LEI 04****Voluntary****Additional Assessed****PRI 1****LEI 04.1**

Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

**Type of ESG information**

- ☒ Raw ESG company data

**Indicate who provides this information**

- ☒ ESG research provider  
☐ Sell-side  
☒ In-house – specialised ESG analyst or team  
☐ In-house – analyst or portfolio manager  
☒ Company-related analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Sector-related analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Country-related analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Screened stock list

**Indicate who provides this information**

- ☒ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Issue-specific analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☐ Other, specify

**LEI 04.2**

Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

SNS AM uses a research provider as a supplement to its own in-house research. For both screening and integration we use all the above mentioned sources although for one more than the other. The 'screened stock list' for instance is only used for our actively managed best-in-class fund, while the rest of the resources is used in all the actively and passively managed funds.

|                 |  |
|-----------------|--|
| <b>LEI 04.3</b> | Indicate if you incentivise brokers to provide ESG research. |
|-----------------|--|

☒ Yes

|                 |                                       |
|-----------------|---------------------------------------|
| <b>LEI 04.4</b> | Describe how you incentivise brokers. |
|-----------------|---------------------------------------|

ESG is a component of our broker evaluation process which determines the allocation of commissions to broker. For 2014 we also determined a set of key ESG issues and suggested them to brokers for research and meetings with companies. Based on the relevance of the research and meetings provided and the overall ESG score of the financial institution, the brokers will receive a score at the end of the year which will impact the overall broker score.

☐ No

|               |                  |                            |              |
|---------------|------------------|----------------------------|--------------|
| <b>LEI 05</b> | <b>Voluntary</b> | <b>Additional Assessed</b> | <b>PRI 1</b> |
|---------------|------------------|----------------------------|--------------|

|                 |   |
|-----------------|---|
| <b>LEI 05.1</b> | Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making. |
|-----------------|---|

☒ Engagement

- ☒ We have a systematic process to ensure the information is made available.
- ☐ We occasionally make this information available.
- ☐ We do not make this information available.

☒ (Proxy) voting

- ☒ We have a systematic process to ensure the information is made available.
- ☐ We occasionally make this information available.
- ☐ We do not make this information available.

## (A) Implementation: Screening

|               |                  |                    |              |
|---------------|------------------|--------------------|--------------|
| <b>LEI 06</b> | <b>Mandatory</b> | <b>Descriptive</b> | <b>PRI 1</b> |
|---------------|------------------|--------------------|--------------|

|                 |  |
|-----------------|--|
| <b>LEI 06.1</b> | 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 |
|-------------|
|-------------|

An exclusionary screening is done every quarter based on our Fundamental Investment Principles which incorporate Environmental, Social and Governance Issues. Besides that several products, for instance nuclear weapons, and activities, for instance *riverine tailings disposal* are excluded.

- ☒ Positive/best-in-class screening

**Screened by**

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

| Description |
|-------------|
|-------------|

Please check LEI 02.1 for more information on our Best-in-class fund and screening.

- ☒ Norms-based screening

**Screened by**

- ☒ UN Global Compact Principles
- ☒ Universal Declaration of Human Rights
- ☒ International Labour Organization Conventions
- ☒ United Nations Convention Against Corruption
- ☒ OECD Guidelines for Multinational Enterprises
- ☒ Other, specify

please check the list of other international mechanisms we consult as an appendix to our Fundamental Investment Principles on our website.

| Description |
|-------------|
|-------------|

Our Fundamental Investment Principles are based on international treaties, conventions and best practices.

|                 |   |
|-----------------|---|
| <b>LEI 06.2</b> | 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. |
|-----------------|---|

Screening criteria (Fundamental Investment Principles) are established by the in-house ESG team in close collaboration with our clients and are reviewed every quarter. The final decision to approve a change in the Fundamental Investment Principles lies in the hands of the SNS AM Selection Committee. The SNS AM Selection Committee meets 4 times a year and decides on among other things, the eligibility of investments and revisions of the Fundamental Investment Principles. This decision and policy-making body comprises at least four and possible five members: two member of the management board - with the CEO performing the role of Chair; the CIO; the Head of the ESG Research team; and at least one independent external member, who is invited by the Chair. After each SNS AM Selection Committee meeting clients are informed on the decisions made.

|               |                  |                      |              |
|---------------|------------------|----------------------|--------------|
| <b>LEI 07</b> | <b>Mandatory</b> | <b>Core Assessed</b> | <b>PRI 1</b> |
|---------------|------------------|----------------------|--------------|

|                 |   |
|-----------------|---|
| <b>LEI 07.1</b> | 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>LEI 08</b> | <b>Voluntary</b> | <b>Additional Assessed</b> | <b>PRI 1</b> |
|---------------|------------------|----------------------------|--------------|

|                 |   |
|-----------------|---|
| <b>LEI 08.1</b> | Indicate which processes your organisation uses to ensure that fund criteria are not breached |
|-----------------|---|

☒ Checks are performed to ensure that stocks meet the funds' screening criteria. These checks are:

☒ Systematic

☐ Occassional

☐ Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.

☒ Audits of fund holdings are undertaken regularly by internal audit function

☐ Other, specify

☐ None of the above

|                 |  |
|-----------------|--|
| <b>LEI 08.2</b> | If breaches of fund screening criteria are identified - describe the process followed to correct those breaches. |
|-----------------|--|

SNS AM's governance is organised according to the three lines of defence model. In the event of a breach, the second line risk manager investigate the cause of the breach. If the conclusion is that the portfolio manager accidentally bought a security from the black list, he will be forced to cancel the trade or sell the security immediately. The client will be informed about the event en will be compensated if necessary.

|                 |                         |
|-----------------|-------------------------|
| <b>LEI 08.3</b> | Additional information. |
|-----------------|-------------------------|

If the security is the outcome of a corporate action, the security will be sold when the corporate action is physically settled.

## (C) Implementation: Integration of ESG issues

|               |           |             |              |
|---------------|-----------|-------------|--------------|
| <b>LEI 10</b> | Voluntary | Descriptive | <b>PRI 1</b> |
|---------------|-----------|-------------|--------------|

**LEI 10.1**

Describe how you integrate ESG factors into investment decision making processes.

SNS Asset Management has a longstanding history incorporating the ESG considerations into all of its investment processes. As such in depth specialist sector and theme knowledge and experience is present.

Making optimal use of the existing bodies of knowledge of ESG and portfolio management expertise, we are taking the integration one step further by consistently applying a ESG ranking methodology for all investment classes covered, both portfolios and benchmarks. This methodology, currently being rolled out, has been jointly developed by our ESG specialists and debt and equity portfolio managers as well as manager selection.

Applying this framework will facilitate and assure balanced investment decisions, taking into account both financial and non-financial aspects of any investment. It allows evaluation of the ESG active positions of portfolios relative to the benchmark and can be used in developing client specific ESG strategies with positive ESG biases.

Furthermore, ESG specialists and portfolio managers closely work together in the engagement of companies invested in, formulating sector specific views and reviews of the portfolios managed relative to its benchmark.

**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<br><input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly<br><input type="radio"/> We do not review environmental issues                      |
| Social               | <input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly<br><input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly<br><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<br><input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly<br><input type="radio"/> We do not review corporate governance issues |

|        |           |             |       |
|--------|-----------|-------------|-------|
| LEI 12 | Voluntary | Descriptive | PRI 1 |
|--------|-----------|-------------|-------|

|          |   |
|----------|---|
| LEI 12.1 | Indicate which processes your organisation uses to ensure that ESG integration is based on a 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  
☒ Company information and/or ratings on ESG are updated regularly  
☒ A periodic review of the quality of the research undertaken or provided is carried out  
☐ Other, specify  
☐ None of the above

|          |   |
|----------|---|
| LEI 12.2 | Describe how ESG information is held and used by your portfolio managers. |
|----------|---|

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff  
☒ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff  
☒ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions  
☐ Other, specify  
☐ None of the above

|        |           |                     |       |
|--------|-----------|---------------------|-------|
| LEI 13 | Voluntary | Additional Assessed | PRI 1 |
|--------|-----------|---------------------|-------|



|                 |   |
|-----------------|---|
| <b>LEI 13.1</b> | Indicate into which aspects of investment analysis you integrate ESG information. |
|-----------------|---|

- ☐ (Macro) economic analysis
- ☒ Industry analysis
  - ☒ Systematically
  - ☐ Occasionally
- ☒ Analysis of company strategy and quality of management
  - ☒ Systematically
  - ☐ Occasionally
- ☒ Idea generation
  - ☐ Systematically
  - ☒ Occasionally
- ☒ Portfolio construction
  - ☒ Systematically
  - ☐ Occasionally
- ☒ Fair value/fundamental analysis
  - ☐ Systematically
  - ☒ Occasionally

|                 |  |
|-----------------|--|
| <b>LEI 13.2</b> | Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis. |
|-----------------|--|

- ☐ Adjustments to income forecasts (sales, earnings, cash flows)
- ☐ Adjustments to valuation tools (discount rates, return forecasts, growth rates)
- ☒ Other adjustments to fair value projections, specify  
 No adjustments to fair values or forecasts.
- ☒ Other, specify  
 companies excluded from any kind of investments (exclusions) based on our fundamental ESG principles
  - ☒ Systematically
  - ☐ Occasionally

## ESG incorporation in passively managed listed equities

|               |                            |                              |                    |              |
|---------------|----------------------------|------------------------------|--------------------|--------------|
| <b>LEI 14</b> | <b>Mandatory to Report</b> | <b>Voluntary to Disclose</b> | <b>Descriptive</b> | <b>PRI 1</b> |
|---------------|----------------------------|------------------------------|--------------------|--------------|

|                 |   |
|-----------------|---|
| <b>LEI 14.1</b> | Indicate if you manage passive listed equity funds that incorporate ESG issues in the index construction methodology. |
|-----------------|---|

☒ Yes

|                 |  |
|-----------------|--|
| <b>LEI 14.2</b> | Indicate the percentage of your total passive listed equity funds for which ESG issues are incorporated in the index construction methodology. |
|-----------------|--|

(% of total passive listed equity funds)

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

**LEI 14.3**

Specify index/fund name, provide a brief description of ESG methodology and indicate which of the following ESG incorporation strategies you apply.

☒ Index/fund 1

| Index/fund name and brief description of ESG methodology | ESG incorporation strategy  |
|--|---|
| SNS Responsible Index Fund Equity Europe - A (BFGR)      | <input checked="" type="checkbox"/> Screening<br><input type="checkbox"/> Thematic<br><input type="checkbox"/> Integration of ESG issues<br><input checked="" type="checkbox"/> Other |

☒ Index/fund 2

| Index/fund name and brief description of ESG methodology   | ESG incorporation strategy  |
|--|---|
| SNS Responsible Index Fund Equity North America - A (BFGR) | <input checked="" type="checkbox"/> Screening<br><input type="checkbox"/> Thematic<br><input type="checkbox"/> Integration of ESG issues<br><input checked="" type="checkbox"/> Other |

☒ Index/fund 3

| Index/fund name and brief description of ESG methodology   | ESG incorporation strategy  |
|--|---|
| SNS Responsible Index Fund Equity North America - B (BFGR) | <input checked="" type="checkbox"/> Screening<br><input type="checkbox"/> Thematic<br><input type="checkbox"/> Integration of ESG issues<br><input checked="" type="checkbox"/> Other |

☒ Index/fund 4

| Index/fund name and brief description of ESG methodology | ESG incorporation strategy  |
|--|---|
| SNS Responsible Index Fund Equity Pacific (BFGR)         | <input checked="" type="checkbox"/> Screening<br><input type="checkbox"/> Thematic<br><input type="checkbox"/> Integration of ESG issues<br><input checked="" type="checkbox"/> Other |

☐ Index/fund 5

☐ No

## Outputs and outcomes

| LEI 15 | Voluntary | Descriptive | PRI 1 |
|--------|-----------|-------------|-------|
|--------|-----------|-------------|-------|

### LEI 15.1

Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

☒ Screening

Describe any reduction in your starting investment universe or other effects.

All the SNS Responsible Index Funds combined, around 2,5% of the benchmark is excluded.

Specify the percentage reduction

%

2.5

☐ Integration of ESG issues

☐ Index incorporating ESG issues (for passively managed funds)

| LEI 16 | Voluntary | Descriptive | PRI 1 |
|--------|-----------|-------------|-------|
|--------|-----------|-------------|-------|

### LEI 16.1

Indicate if you believe that incorporating ESG factors has: (a) Impacted funds' financial performance; (b) Reduced funds' risk or volatility; (c) Improved funds' ESG performance.

a) Impacted funds' financial performance

| Screening  | Integration of ESG issues  | Index incorporating ESG(for passively managed funds)             |
|--|--|--|
| <input checked="" type="radio"/> Yes<br><input type="radio"/> No | <input checked="" type="radio"/> Yes<br><input type="radio"/> No | <input checked="" type="radio"/> Yes<br><input type="radio"/> No |

b) Reduced funds' risk or volatility

| Screening  | Integration of ESG issues  | Index incorporating ESG(for passively managed funds)             |
|--|--|--|
| <input checked="" type="radio"/> Yes<br><input type="radio"/> No | <input checked="" type="radio"/> Yes<br><input type="radio"/> No | <input checked="" type="radio"/> Yes<br><input type="radio"/> No |

c) Improved funds' ESG performance

| Screening  | Integration of ESG issues  | Index incorporating ESG(for passively managed funds)             |
|--|--|--|
| <input checked="" type="radio"/> Yes<br><input type="radio"/> No | <input checked="" type="radio"/> Yes<br><input type="radio"/> No | <input checked="" type="radio"/> Yes<br><input type="radio"/> No |

**LEI 16.2**

Describe how you are able to determine these outcomes and your actual performance.

We measure the performance of our investable universe (called the Internal Benchmark) which is based on purely ESG criteria. Subsequently we can compare the performance of the internal benchmark with an external benchmark like for example MSCI. This gives us insight into the risk and return characteristics of the sustainable universe.

|               |                  |                    |              |
|---------------|------------------|--------------------|--------------|
| <b>LEI 17</b> | <b>Voluntary</b> | <b>Descriptive</b> | <b>PRI 1</b> |
|---------------|------------------|--------------------|--------------|

**LEI 17.1**

Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.

☒ ESG issue 1

|  |
|--|
| ESG issue and explanation  |
| US Retailer, issues with fundamental labour rights   |
| ESG incorporation strategy applied   |
| <input checked="" type="checkbox"/> Screening<br><input type="checkbox"/> Integration<br><input type="checkbox"/> Combination of ESG incorporation strategies<br><input type="checkbox"/> Index incorporating ESG issues |
| Impact on investment decision or performance   |
| excluded from investment universe after an unsuccessful engagement   |

☒ ESG issue 2

|  |
|--|
| ESG issue and explanation  |
| UK Diversified Chemicals   |
| ESG incorporation strategy applied   |
| <input type="checkbox"/> Screening<br><input type="checkbox"/> Integration<br><input checked="" type="checkbox"/> Combination of ESG incorporation strategies<br><input type="checkbox"/> Index incorporating ESG issues   |
| Impact on investment decision or performance   |
| <p>Although not ranked top 40% in our best-in-class fund, the company is selected anyway because of its distinct sustainable character under the precondition that an engagement is started to improve the company's performance on EGS issues. For more information on positive selection please check LEI 03.3</p> |

☒ ESG issue 3

|  |
|--|
| ESG issue and explanation  |
| US Capital Goods, weapons  |
| ESG incorporation strategy applied   |
| <input checked="" type="checkbox"/> Screening<br><input type="checkbox"/> Integration<br><input type="checkbox"/> Combination of ESG incorporation strategies<br><input type="checkbox"/> Index incorporating ESG issues |
| Impact on investment decision or performance   |
| Included as the company was no longer involved in the production of cluster munition.  |

☐ ESG issue 4

☐ ESG issue 5

## Communication

LEI 18

Mandatory

Core Assessed

PRI 2,6

LEI 18.1

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

☒ We disclose it publicly

Provide URL

<http://www.snsam.nl/en/>

LEI 18.2

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

☐ Yes

☒ No

LEI 18.3

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

| Reporting to public   | Reporting to clients/beneficiaries  |
|---|---|
| <input checked="" type="radio"/> Broad approach to ESG incorporation<br><input type="radio"/> Detailed explanation of ESG incorporation strategy used | <input type="radio"/> Broad approach to ESG incorporation<br><input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used |

LEI  
18.4

Indicate how frequently you typically report this information.

| Reporting to public   | Reporting to clients/beneficiaries                            |
|---|---|
| <input checked="" type="radio"/> Quarterly or more frequently | <input checked="" type="radio"/> Quarterly or more frequently |
| <input type="radio"/> Between quarterly and annually          | <input type="radio"/> Between quarterly and annually          |
| <input type="radio"/> Less frequently than annually           | <input type="radio"/> Less frequently than annually           |
| <input type="radio"/> Other, specify                          | <input type="radio"/> Other, specify                          |

☐ We disclose it to clients and/or beneficiaries only

☐ We do not proactively disclose it to the public and/or clients/beneficiaries

# SNS Asset Management

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

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



## Engagement

## Overview

|        |           |             |       |
|--------|-----------|-------------|-------|
| LEA 01 | Voluntary | Descriptive | PRI 2 |
|--------|-----------|-------------|-------|

SNS AM's range of influence consists largely of the influence it can exert as a shareholder. Voting and engagement activities are, therefore, at the core of our strategy. To optimise research and active shareholder-related activities, SNS AM has outsourced a number of important, labour-intensive tasks to specialised companies. Thus, on the one hand, SNS AM has chosen a research provider to provide SNS AM with research and analysis that is tailored to SNS AM specific requirements, and on the other hand a service provider to support SNS AM with the execution of our voting policy and engagement activities.

### **Engagement activities**

ESG themes that lead to engagement follow from our Fundamental Investment Principles (FIP) and sector position papers. SNS AM engages in two types of engagement: responsive and proactive.

#### **Responsive engagement**

When SNS AM engages in responsive engagement, the objective - based on its FIP - is to prevent the company in question to be excluded from its investment universe due to violations of our principles. SNS AM enters into a discussion with a company following a controversy with the aim to remedy it and prevent it from happening in the future. If severe controversies and corrective actions and/or the willingness to prevent recurrence have little chance of success, exclusion could be inevitable. Interpreting the response from a company involved in a controversy is, therefore, an important step in an engagement process.

#### **Proactive engagement**

In the case of proactive engagement, SNS AM enters into a discussion with companies that are not yet achieving sector best practices in certain areas, so as to mitigate the risk of future controversies. In co-operation with companies, SNS AM tries to improve the entire industry's standard on one or more subjects. Discussions are often about developing, implementing and disclosing policies.

### **Strategy**

When pursuing responsive and proactive engagement, SNS AM may choose to approach a company individually or together with other investors. We prefer co-operation because that way the dialogue will not only be more efficient - and generally more effective - for the company in question, it can also increase the pressure to change.

To support our engagement activities from a broader perspective, SNS AM also participates in industry-wide and regulatory engagement initiatives. Overall, we seek to find the optimal balance between addressing company-specific concerns versus those that are better addressed through systemic solutions or change.

|        |           |         |           |
|--------|-----------|---------|-----------|
| 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)<br><input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues<br><input checked="" type="checkbox"/> To encourage improved ESG disclosure<br><input checked="" type="checkbox"/> Other, specify<br>to fulfil client mandates<br><input type="checkbox"/> We do not engage via internal staff            |
| Collaborative engagements             | <input checked="" type="checkbox"/> To support investment decision-making (e.g. company research)<br><input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues<br><input checked="" type="checkbox"/> To encourage improved ESG disclosure<br><input checked="" type="checkbox"/> Other, specify<br>to fulfil client mandates<br><input type="checkbox"/> We do not engage via collaborative engagements |
| Service provider engagements          | <input checked="" type="checkbox"/> To support investment decision-making (e.g. company research)<br><input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues<br><input checked="" type="checkbox"/> To encourage improved ESG disclosure<br><input checked="" type="checkbox"/> Other, specify<br>to fulfil client mandates<br><input type="checkbox"/> We do not engage via service providers         |

## Process

### Process for engagements run internally

|        |           |               |       |
|--------|-----------|---------------|-------|
| LEA 03 | Mandatory | Core Assessed | PRI 2 |
|--------|-----------|---------------|-------|

|          |   |
|----------|---|
| LEA 03.1 | Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff. |
|----------|---|

☉ Yes

LEA  
03.2

Describe how you identify and prioritise engagements.

As noted in question LEA 01.1, our responsive engagements are based on controversies that present immediate reputational or material risks to us and our clients. These controversies are flagged during a quarterly screening of our investment universe vis-à-vis our FIP and the UN Global Compact. Companies flagged in this review are evaluated based on the seriousness of the controversy (compared to the sector) and the likeliness that engagement will be effective (including a governance structure assessment and whether the violation is part of the company's core business, i.e. weapons). Companies involved in serious controversies and deemed to be open to engagement will be put forward to the SNS AM Selection Committee, which is responsible for approving responsive engagements.

Our proactive engagements are identified and prioritized based on our focus on the natural resources sectors, whether the governance structure supports shareholder influence, client priorities, the timeliness and materiality of the issues, and the potential for impact.

☐ No

LEA 04

Mandatory

Core Assessed

PRI 2

LEA  
04.1

Indicate if you define specific objectives for your engagement activities.

☒ Yes

☒ Yes, for all engagement activities

☐ Yes, for the majority of engagement activities

☐ Yes, for a minority of engagement activities

☐ No

LEA  
04.2

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

☒ Yes

☒ Yes, in all cases

☐ Yes, in the majority of cases

☐ Yes, in the minority of cases

**LEA  
04.3**

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

SNS AM uses the following milestone scheme to track engagement progress.

Milestone 0: New engagement/objective

Milestone 1: Initial communication sent and receipt acknowledged by company

Milestone 2: Objectives discussed with company in more detail

Milestone 3: Company responds with relevant engagement information or commits to raising the issues internally

Milestone 4: Company develops and discloses (to us or publicly) a credible strategy or sets clear targets to address the issues

Milestone 5: Company demonstrates that the strategy is being implemented or that targets have been achieved

Engagement "Closed" : Company is monitored for ongoing compliance/progress

Engagement progress is evaluated and reported at least on a quarterly basis to clients and the SNS AM Selection Committee, as well as following any calls, meetings or key correspondence with a company. At this point, our objectives are assessed in terms of progress, as well as whether they continue to be relevant or material to the company.

☐ No

**Process for engagements conducted via collaborations****LEA 05****Mandatory****Core Assessed****PRI 2****LEA  
05.1**

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

☒ Yes

**LEA  
05.2**

Describe how you identify and prioritise collaborative engagements.

Collaborative engagements are prioritized based on the same criteria as our individual engagements (see LEA 03.2 above). Additional factors we consider include the reputation of potential partners and the added-value of additional, market-specific governance expertise. They are signed off by the head of the ESG Research team and reported on at every Selection Committee meeting.

☐ No

**LEA 06**

**Mandatory**

**Core Assessed**

**PRI 2**

**LEA  
06.1**

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

☒ Yes

☒ Yes, for all collaborative engagement activities

☐ Yes, for the majority of collaborative engagement activities

☐ Yes, for a minority of collaborative engagement activities

☐ No

**LEA  
06.2**

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

☒ Yes

☒ Yes, in all cases

☐ Yes, in the majority of cases

☐ Yes, in the minority of cases

**LEA  
06.3**

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

we don't evaluate the progress of all companies included in collaborative engagements, only those where we are the lead or an active supporting investor.

☐ No

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

**LEA 07**

**Mandatory**

**Core Assessed**

**PRI 2,4**

|                 |   |
|-----------------|---|
| <b>LEA 07.1</b> | Indicate if you play a role in the engagement process that your service provider conducts on your behalf. |
|-----------------|---|

☒ Yes

|                 |  |
|-----------------|--|
| <b>LEA 07.2</b> | Indicate what role you play in engagements that your service provider conducts on your behalf. |
|-----------------|--|

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

☐ No

|               |                  |                      |                |
|---------------|------------------|----------------------|----------------|
| <b>LEA 08</b> | <b>Mandatory</b> | <b>Core Assessed</b> | <b>PRI 2,6</b> |
|---------------|------------------|----------------------|----------------|

|                 |  |
|-----------------|--|
| <b>LEA 08.1</b> | Indicate whether you monitor and/or discuss the following information provided to you by your service provider |
|-----------------|--|

Please select all that apply

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

### General processes for all three groups of engagers

|               |                  |                            |                |
|---------------|------------------|----------------------------|----------------|
| <b>LEA 09</b> | <b>Voluntary</b> | <b>Additional Assessed</b> | <b>PRI 1,2</b> |
|---------------|------------------|----------------------------|----------------|

|                 |   |
|-----------------|---|
| <b>LEA 09.1</b> | Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions. |
|-----------------|---|

| Type of engagement                    | Insights shared   |
|---------------------------------------|---|
| Individual/Internal staff engagements | <input checked="" type="radio"/> Yes, systematically<br><input type="radio"/> Yes, occasionally<br><input type="radio"/> No |
| Collaborative engagements             | <input checked="" type="radio"/> Yes, systematically<br><input type="radio"/> Yes, occasionally<br><input type="radio"/> No |
| Service provider engagements          | <input checked="" type="radio"/> Yes, systematically<br><input type="radio"/> Yes, occasionally<br><input type="radio"/> No |

|        |           |                       |       |
|--------|-----------|-----------------------|-------|
| LEA 10 | Mandatory | Gateway/Core Assessed | PRI 2 |
|--------|-----------|-----------------------|-------|

|          |  |
|----------|--|
| LEA 10.1 | Indicate if you track the number of companies you engage with. |
|----------|--|

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

## Outputs and outcomes

|        |   |               |       |
|--------|---|---------------|-------|
| LEA 11 | Mandatory to Report Voluntary to Disclose | Core Assessed | PRI 2 |
|--------|---|---------------|-------|

|          |  |
|----------|--|
| LEA 11.1 | Indicate the number of companies with which your organisation engaged during the reporting year. |
|----------|--|



|   |  |
|---|--|
|   | <b>Number of companies engaged</b><br>(avoid double counting, see explanatory notes) |
| Individual / Internal staff engagements | 77   |
| Collaborative engagements               | 140  |
| Service provider engagements            | 0  |

**LEA  
11.2**

Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]

| Type of engagement                      | % Comprehensive engagements  |
|---|--|
| Individual / Internal staff engagements | <input type="radio"/> > 50%<br><input checked="" type="radio"/> 10-50%<br><input type="radio"/> <10%<br><input type="radio"/> None |
| Collaborative engagements               | <input type="radio"/> >50%<br><input checked="" type="radio"/> 10-50%<br><input type="radio"/> <10%<br><input type="radio"/> None  |
| Service provider engagements            | <input type="radio"/> >50%<br><input type="radio"/> 10-50%<br><input type="radio"/> <10%<br><input checked="" type="radio"/> None  |

**LEA  
11.3**

Indicate what percentage of your collaborative engagements you were a leading organisation during the reporting year. [Optional]

| Type of engagement        | % Leading role  |
|---------------------------|---|
| Collaborative engagements | <input type="radio"/> >50%<br><input type="radio"/> 10-50%<br><input checked="" type="radio"/> <10%<br><input type="radio"/> None |

**LEA  
11.4**

Indicate for which part of your service provider engagements you were highly involved during the reporting year. [Optional]

| Type of engagement           | % High involvement  |
|------------------------------|---|
| Service provider engagements | <input checked="" type="radio"/> >50%<br><input type="radio"/> 10-50%<br><input type="radio"/> <10%<br><input type="radio"/> None |

**LEA  
11.5**

Additional information. [Optional]

SNS AM conducted several company engagements (27) jointly with our service provider in 2013. Details of these engagements are reported under Individual/Internal, and no information is reported under service provider, so as to avoid duplication.

**LEA 12**

Voluntary

Additional Assessed

**PRI 2**

**LEA  
12.1**

Indicate if your engagements in the reporting year covered E, S and/or G issues.

| Type of engagement                      | Coverage   |
|---|--|
| Individual / Internal staff engagements | <input checked="" type="checkbox"/> Environmental<br><input checked="" type="checkbox"/> Social<br><input checked="" type="checkbox"/> Corporate Governance<br><input type="checkbox"/> We do not track this information |
| Collaborative engagements               | <input checked="" type="checkbox"/> Environmental<br><input checked="" type="checkbox"/> Social<br><input checked="" type="checkbox"/> Corporate Governance<br><input type="checkbox"/> We do not track this information |
| Service provider engagements            | <input checked="" type="checkbox"/> Environmental<br><input checked="" type="checkbox"/> Social<br><input checked="" type="checkbox"/> Corporate Governance<br><input type="checkbox"/> We do not track this information |

**LEA  
12.2**

Provide an estimated breakdown by E, S and/or G issues.

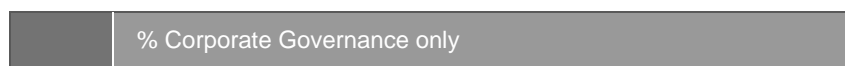
Individual / Internal staff engagements



3



10



65



22

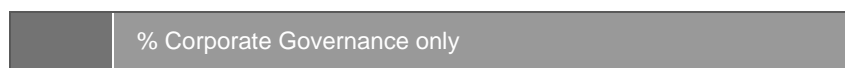
**100%**



0



15



40



45

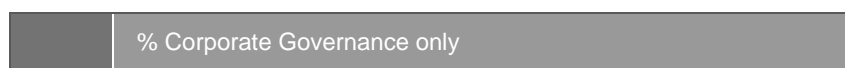
**100%**



0



0



0



0

100%

SNS AM conducts additional engagements that are not tied to specific companies and thus are not reflected here. Examples include engagement work related to: Arms Trade Treaty; US, EU and Canadian revenue transparency regulations; PRI ESG integration working group; EITI; Natural Capital Declaration; PRI Fixed Income working group; and PRI Sustainable Stock Exchanges working group.

US, EU& Canadian revenue transparency: Coordinated by, among others, SNS AM, Calvert and Allianz, investor letters were sent to the SEC and the Canadian Ministry of Natural Resources in 2013. With the letters, the more than forty signatories representing \$5.8 trillion AUM demonstrated their support for mandatory payment disclosure regulations in the US and Canada, as well as global consistency.

EITI: SNS AM now is an EITI (alternate) Board Member representing the investor constituency, and a member on two key Board Committees: the Outreach and Candidature Committee and the Implementation Committee. The former oversees the Secretariat's activities for outreach to countries interested in joining the Initiative, and supporting applicant countries during the candidature process. The latter advises the Board on countries' implementation progress.

PRI Fixed Income Work Stream: SNS AM was appointed as a Work Stream Steering Committee Member. We thus contribute to directing the work stream's efforts and outputs, together with some 10 fellow investors. The group's 2013 report was published and can be accessed via [www.pri.org/publications](http://www.pri.org/publications) (name: 'Sovereign bonds: Spotlight on ESG Risks'). SNS AM has indicated its interest in sponsoring and contributing to the next project on credits.

Sustainable Stock Exchanges IWG: We responded to the Australian Stock Exchanges open consultation regarding proposed governance and sustainability changes to their listing standards. We commended them for proposing a mandatory disclosure index, which is similar to what we advocated in another consultation earlier this year and will help investors and other stakeholders find relevant information more easily. We also asked them to consider offering more guidance under their requirement that listed companies disclose any material sustainability risks, and suggested they seek to coordinate this guidance with other initiatives working on the same topic.

Under the category of Governance, SNS AM raises the following topics with investee companies that were not specified in the PRI definitions document, but fall under "matters of business strategy": regional and market trends, financial performance and strategy, dividend policy, M&A strategy, and risk management.

|        |           |             |       |
|--------|-----------|-------------|-------|
| LEA 13 | Voluntary | Descriptive | PRI 2 |
|--------|-----------|-------------|-------|

|          |  |
|----------|--|
| LEA 13.1 | Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities. |
|----------|--|

☒ Yes

|          |  |
|----------|--|
| LEA 13.2 | Indicate the number of companies that changed or committed to change in the reporting year following your organisation's and/or your service provider's engagement activities. |
|----------|--|

|   | Number of company changes or commitments to change |
|---|--|
| Individual / Internal staff engagements | 5  |
| Collaborative engagements               | 0  |
| Service provider engagements            | 0  |

☐ No

|          |                         |
|----------|-------------------------|
| LEA 13.3 | Additional information. |
|----------|-------------------------|

Collaborative engagements are not tracked for change in practice, only those we lead on. We included those engagements under 'individual engagements' to avoid duplication.

SNS AM conducted several company engagements (27) jointly with our service provider in 2013. Details of these engagements are reported under Individual/Internal, and no information is reported under service provider, so as to avoid duplication.

The basis for the assessment are our milestones as explained in question LEA. 04.3

|        |           |             |       |
|--------|-----------|-------------|-------|
| LEA 14 | Voluntary | Descriptive | PRI 2 |
|--------|-----------|-------------|-------|

|          |   |
|----------|---|
| LEA 14.1 | Provide examples of the engagements that your organisation carried out during the reporting year. |
|----------|---|

☒ Add Example 1

|                    |   |
|--------------------|---|
| Topic or ESG issue | Environmental management, indigenous rights, human rights, transparency   |
| Conducted by       | <input checked="" type="checkbox"/> Individual / Internal<br><input type="checkbox"/> Collaborative<br><input type="checkbox"/> Service provider  |
| Objectives         | Effective implementation of environmental policies, development of indigenous peoples and land rights policy, development of human rights management system for high risk operations, increased transparency on payments to host governments.   |
| Scope and Process  | We had several points of contact with the company over 2013, including letters, emails, three 1-on-1 calls and meetings, and a conference call with other investors. The Corporate Secretary has been our primary liaison, and as many as 9 other specialists were made available throughout the course of our discussions, including shareholder relations, human rights and HSE specialists. Topics covered included our primary objectives, our voting behaviour, our respective positions on revenue transparency legislation across markets, and a letter the company received from another group of investors regarding stranded assets risk. |
| Outcomes           | There was a strong willingness on the part of the company to speak with us and make its relevant staff available. As a result, the company moved from Milestone 1 to 2 (out of 6) in 2013. Some of our objectives have been partially met, and what we learned from speaking to the company is that they currently do more than they report. For example, they told us that they have an internal guidance document on working with indigenous peoples, but they are unwilling to make it public at this point. Thus, a focal point going forward is to encourage the company to improve their reporting on ESG matters.                            |

☒ Add Example 2

|                    |  |
|--------------------|--|
| Topic or ESG issue | Employee health and safety   |
| Conducted by       | <input checked="" type="checkbox"/> Individual / Internal<br><input type="checkbox"/> Collaborative<br><input type="checkbox"/> Service provider   |
| Objectives         | Improve disclosure on health and safety management system group-wide, including audit results; implement programmes to reduce health and safety incidents, with targets and deadlines; regularly track and report performance on a consistent set of health and safety metrics; improve disclosure on health and safety component and targets of the employee remuneration policy.                             |
| Scope and Process  | We held two 1-on-1 calls with the company in 2013, and found the company to be open to discussing and addressing our concerns. Our primary contact is the Deputy Head of Corporate Communications, who is responsible for corporate responsibility matters.  |
| Outcomes           | The company has developed a number of policies and put measures in place to address its health and safety risks, and thus moved from Milestone 0 to 4 (out of 6) in 2013. However, the recently published 2013 health and safety data does not yet indicate a significant improvement in reducing incidents compared to 2012, so we will continue to monitor the effectiveness of these policies and measures. |

☒ Add Example 3



|                    |   |
|--------------------|---|
| Topic or ESG issue | Social & Governance – Bribery & corruption  |
| Conducted by       | <input type="checkbox"/> Individual / Internal<br><input checked="" type="checkbox"/> Collaborative<br><input type="checkbox"/> Service provider  |
| Objectives         | Adopt a zero tolerance policy at the executive level; make whistle-blowing policy available in local languages; report publicly on the use and enforcement of the whistle-blowing system; improved disclosure on anti-corruption training and governance of corruption and sustainability issues.   |
| Scope and Process  | We held three 1-on-1 calls with the company in 2013, with the new Compliance Chief as our primary contact. We were also encouraged that the CEO responded himself to our first letter with openness and enthusiasm for a constructive dialogue. We sent the CEO a follow up email towards the end of the year to express our satisfaction with the progress so far, and to outline the areas where we hoped the company would continue to give more attention.                          |
| Outcomes           | The company has shown itself to be thoroughly committed to addressing its corruption and bribery risks, and positively this commitment begins at the highest levels of the company. They have since published their whistle-blower policy in local languages, including Arabic, and have further committed to address several of the disclosure improvements we've suggested in their next reporting cycle. Accordingly, the company advanced from Milestone 0 to 4 (out of 6) in 2013. |

☒ Add Example 4

|                    |  |
|--------------------|--|
| Topic or ESG issue | Environment & Social – Labour standards, supply chain issues, access to clean water, responsible marketing   |
| Conducted by       | <input checked="" type="checkbox"/> Individual / Internal<br><input type="checkbox"/> Collaborative<br><input type="checkbox"/> Service provider   |
| Objectives         | Establish robust supplier compliance monitoring procedures; develop strong policy on freedom of association for its own employees that adheres to ILO conventions; disclose the company's approach to supporting their farmers' access to clean water; disclose their approach to responsible marketing and certification labelling. |
| Scope and Process  | We held two 1-on-1 calls with the company in 2013. Our primary contacts include the Head of Investor Relations, the CSR Manager and the Assistant to Finance Managers.   |
| Outcomes           | The company has assured us that many of our labour and supply chain concerns are being taken up in their supply chain programme, and that we can expect more detailed disclosures later in 2014. Thus, the company progressed from Milestone 0 to 3 (out of 6) in the course of 2013.  |

- ☐ Add Example 5
- ☐ Add Example 6
- ☐ Add Example 7
- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

|          |                         |
|----------|-------------------------|
| LEA 14.2 | Additional information. |
|----------|-------------------------|

SNS AM uses the following milestone scheme to track engagement progress.

Milestone 0: New engagement/objective

Milestone 1: Initial communication sent and receipt acknowledged by company

Milestone 2: Objectives discussed with company in more detail

Milestone 3: Company responds with relevant engagement information or commits to raising the issues internally

Milestone 4: Company develops and discloses (to us or publicly) a credible strategy or sets clear targets to address the issues

Milestone 5: Company demonstrates that the strategy is being implemented or that targets have been achieved

Engagement "Closed" :Company is monitored for ongoing compliance/progress

The above engagements were selected because they reflect our focus on the natural resource sectors (mining, oil& gas, food, beverages & tobacco, and forestry), as well as the difference between our proactive and responsive strategies. When engaging companies proactively, we often take up a number of issues where sector leaders have yet to achieve best practices. In our responsive approach, we focus on critical concerns that pose immediate reputational and financial risks for investors.

## Communication

|        |           |               |         |
|--------|-----------|---------------|---------|
| LEA 15 | Mandatory | Core Assessed | PRI 2,6 |
|--------|-----------|---------------|---------|

|          |  |
|----------|--|
| LEA 15.1 | Indicate whether your organisation proactively discloses information on its engagements. |
|----------|--|

☒ We disclose it publicly

|  |                    |
|--|--------------------|
|  | please provide URL |
|--|--------------------|

<http://www.snsam.nl/en/>

|  |                    |
|--|--------------------|
|  | please provide URL |
|--|--------------------|

[http://www.zwitserleven.nl/fondsen/maatschappelijk\\_verantwoord\\_beleggen](http://www.zwitserleven.nl/fondsen/maatschappelijk_verantwoord_beleggen)

**LEA  
15.2**

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

☐ Yes

☒ No

**LEA  
15.3**

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

| Reporting to the public  | Reporting to clients/beneficiaries   |
|--|--|
| <b>Engagement information disclosed</b> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Details of the selections, priorities and specific goals of engagement</li> <li><input checked="" type="checkbox"/> Number of engagements</li> <li><input checked="" type="checkbox"/> Breakdown of engagements by type/topic</li> <li><input checked="" type="checkbox"/> Breakdown of engagements by region</li> <li><input type="checkbox"/> An assessment of the current status of the engagement</li> <li><input type="checkbox"/> Outcomes that have been achieved from the engagement</li> <li><input type="checkbox"/> Other information</li> </ul> | <b>Engagement information disclosed</b> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Details of the selections, priorities and specific goals of engagement</li> <li><input checked="" type="checkbox"/> Number of engagements</li> <li><input checked="" type="checkbox"/> Breakdown of engagements by type/topic</li> <li><input checked="" type="checkbox"/> Breakdown of engagements by region</li> <li><input checked="" type="checkbox"/> An assessment of the current status of the engagement</li> <li><input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement</li> <li><input checked="" type="checkbox"/> Other information</li> </ul> <p>Select engagement cases/themes reported quarterly</p> |

**LEA  
15.4**

Indicate how frequently you typically report engagements information.

| Reporting to the public  | Reporting to clients/beneficiaries   |
|--|--|
| <ul style="list-style-type: none"> <li><input type="radio"/> Disclosed continuously (prior and post engagements)</li> <li><input checked="" type="radio"/> Disclosed quarterly</li> <li><input type="radio"/> Disclosed annually</li> <li><input type="radio"/> Disclosed every two years or less</li> <li><input type="radio"/> Other, specify</li> </ul> | <ul style="list-style-type: none"> <li><input type="radio"/> Disclosed continuously (prior and post engagements)</li> <li><input checked="" type="radio"/> Disclosed quarterly</li> <li><input type="radio"/> Disclosed annually</li> <li><input type="radio"/> Disclosed every two years or less</li> <li><input type="radio"/> Other, specify</li> </ul> |

☐ We disclose it to clients and/or beneficiaries only

☐ We do not proactively disclose it to the public and/or clients/beneficiaries.

## (Proxy) voting and shareholder resolutions

## Overview

| LEA 16 | Voluntary | Descriptive | PRI 2 |
|--------|-----------|-------------|-------|
|--------|-----------|-------------|-------|

|                 |  |
|-----------------|--|
| <b>LEA 16.1</b> | Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable). |
|-----------------|--|

SNS AM exercises the voting rights attached to our clients' holdings to reflect their interests, and aims to vote at all shareholder meetings of the companies in our clients' portfolios. Accordingly, SNS AM has developed a responsible voting policy, which is based on internationally recognised best practice guidelines in the areas of corporate governance and responsible investment.

SNS AM has adopted the International Corporate Governance Network's (ICGN) corporate governance principles as our overarching guideline on governance best practice. These principles are internationally recognised as the best practice standard in corporate governance circles. The ICGN principles reflect and endorse the OECD Principles of Corporate Governance, as well as additional guidance developed by the ICGN.

Based on these guidelines, SNS AM has developed a general voting policy, which covers typical shareholder meeting agenda items across the markets covered by SNS AM's voting service. When assessing the governance of individual companies, SNS AM will also follow, where appropriate, market-specific best practices as presented in country codes and other recognised best practice guidelines. (Annex I to our voting policy addresses market-specific governance practices and proposals where SNS AM diverges from the general voting policy).

Furthermore, consistent with SNS AM's strategy and views, our Fundamental Investment Principles are applied to proposals dealing with ethical, environmental and social issues, thus encouraging corporate best practices in these areas. These principles are based on international treaties, conventions and best practices, such as the United Nations Global Compact; the Universal Declaration of Human Rights; the fundamental principles of the International Labour Organisation; and the OECD Guidelines for Multinational Enterprises.

Our principles also help to guide our engagement activities, of which proxy voting represents the most basic form. We may apply stricter voting criteria to companies we are actively engaging through investor dialogue. SNS AM may also file or co-file shareholder resolutions in instances where companies have proven to be insufficiently responsive to regular shareholder dialogue.

In most cases, we vote by proxy and voting is executed by a service provider based on our voting policy. On a few strategic occasions, SNS AM may attend AGMs and vote in person.

SNS AM's voting policy can be found online at <http://www.snsam.nl/en/>

## 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.
- ☒ We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

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

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

|        |           |             |       |
|--------|-----------|-------------|-------|
| LEA 18 | Mandatory | Descriptive | PRI 2 |
|--------|-----------|-------------|-------|

|          |   |
|----------|---|
| LEA 18.1 | Of the voting recommendations that your service provider made in the reporting year, indicate what percentage your organisation reviewed, and the reasons for the review. |
|----------|---|

### Percentage of voting recommendations your organisation reviewed

- ☐ >20%
- ☐ 5-20%
- ☐ 1-5%
- ☒ <1%

### Reasons for review

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

we review the voting recommendations for the companies we engage jointly with the service provider, which in 2013 was 20 companies out of approximately 1,900

|        |           |             |       |
|--------|-----------|-------------|-------|
| LEA 19 | Voluntary | Descriptive | PRI 2 |
|--------|-----------|-------------|-------|

|                 |   |
|-----------------|---|
| <b>LEA 19.1</b> | To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following. |
|-----------------|---|

- ☒ Obtain confirmation that votes have been lodged:
- ☒ for a majority of votes
  - ☐ for a minority of votes
- ☒ Participate in projects to improve the voting trail and/or to obtain vote confirmation
- ☐ None of the above

|                 |  |
|-----------------|--|
| <b>LEA 19.2</b> | Provide additional information on your organisation's vote confirmation efforts. |
|-----------------|--|

Our service provider uses the Broadridge voting platform ProxyEdge to cast votes electronically. The provider votes all of equity holdings managed by SNS AM, including partial votes where share blocking may apply, and casts votes ahead of the ProxyEdge vote deadline. ProxyEdge confirms the acceptance and processing of these votes. In addition, once a year, SNS AM requests the provider to conduct a vote audit to verify that the votes cast were processed by ProxyEdge, according to policy and on time. For 2013, the audit covers 45 company meetings and further lists any other meetings where known voting errors occurred. The audit is reviewed by SNS AM's Active Ownership Specialist and Selection Committee.

|               |                  |                            |              |
|---------------|------------------|----------------------------|--------------|
| <b>LEA 20</b> | <b>Voluntary</b> | <b>Additional Assessed</b> | <b>PRI 2</b> |
|---------------|------------------|----------------------------|--------------|

|                 |   |
|-----------------|---|
| <b>LEA 20.1</b> | Indicate if your organisation has a securities lending programme. |
|-----------------|---|

☒ Yes

|                 |   |
|-----------------|---|
| <b>LEA 20.2</b> | Indicate how voting is addressed in securities lending programme. |
|-----------------|---|

**Please select one of the following**

- ☒ We recall most securities for voting on all ballot items
  - ☐ We recall some securities for voting on some ballot items on a systematic basis in line with specified criteria
  - ☐ We occasionally recall some securities for voting on some ballot items on an ad-hoc basis
  - ☐ We empower our securities lending agent to decide when to recall securities for voting purposes
  - ☐ We do not recall our shares for voting purposes
  - ☐ Other (please specify)
- ☐ No

|          |                                    |
|----------|------------------------------------|
| LEA 20.3 | Additional information. [Optional] |
|----------|------------------------------------|

SNS AM also addresses share blocking in its voting policy, whereby it will generally block a percentage of its clients' holdings (normally 75%) in companies where share blocking is required so that it can participate in the meeting, but decrease the risk of being unable to trade at the sensitive time around the company's general meeting. However, if voting somehow does conflict with trading, the custodian will de-block shares to be able to trade, i.e. trading will be prioritised over voting. SNS AM will also instruct its custodian to ensure that shares are not blocked at the sub-custodian level where there is no share-blocking requirement in the company's articles or at a market-level.

|        |           |               |       |
|--------|-----------|---------------|-------|
| 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:
- ☐ votes in selected markets
  - ☐ votes on certain issues (all markets)
  - ☐ votes for significant shareholdings (all markets)
  - ☒ other, explain  
with companies we engage jointly with our service provider
- ☐ No
- ☐ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

## Outputs and outcomes

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

|          |   |
|----------|---|
| 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%) |
|     | %                              |
| 100 |                                |



|   |
|---|
| <b>Specify the basis on which this percentage is calculated</b> |
|---|

- ☐ 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

|                 |  |
|-----------------|--|
| <b>LEA 22.2</b> | 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] |
|-----------------|--|

11 meetings in 2013, representing 0.5% of the total possible meetings, was not cast due to clerical error. 99.5% rounded up to nearest percentage, 100%

☐ We do not track or collect this information

|               |                  |                    |              |
|---------------|------------------|--------------------|--------------|
| <b>LEA 23</b> | <b>Voluntary</b> | <b>Descriptive</b> | <b>PRI 2</b> |
|---------------|------------------|--------------------|--------------|

|                 |  |
|-----------------|--|
| <b>LEA 23.1</b> | Indicate if you track the voting instructions that you and/or your third party have issued on your behalf. |
|-----------------|--|

☒ Yes, we track this information

|                 |   |
|-----------------|---|
| <b>LEA 23.2</b> | Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were: |
|-----------------|---|

| Voting instructions                     | Breakdown as percentage of votes cast   |
|---|---|
| For (supporting) management proposals   | <div style="display: flex; align-items: center;"> <div style="width: 88%; height: 20px; background-color: #808080; margin-right: 5px;"></div> <span style="margin-left: 5px;">%</span> </div> <div style="text-align: right; margin-top: 5px;">88</div> |
| Against (opposing) management proposals | <div style="display: flex; align-items: center;"> <div style="width: 12%; height: 20px; background-color: #808080; margin-right: 5px;"></div> <span style="margin-left: 5px;">%</span> </div> <div style="text-align: right; margin-top: 5px;">12</div> |
| Abstentions                             | <div style="display: flex; align-items: center;"> <div style="width: 0%; height: 20px; background-color: #808080; margin-right: 5px;"></div> <span style="margin-left: 5px;">%</span> </div> <div style="text-align: right; margin-top: 5px;">0</div>   |

100%

**LEA  
23.3**

For the reporting year, describe your approach towards voting on shareholder resolutions.

As a responsible investor, SNS AM will tend to favour shareholder resolutions seeking policies, measures or disclosures that will have a positive impact on investee companies' ethical, social and environmental performance. SNS AM will normally vote in favour of shareholder proposals aimed at improving the company's governance and encouraging the company to implement policies and measures so as to prevent a possible conflict with SNS AM's Fundamental Investment Principles. SNS AM will vote against shareholder proposals that might lead to the opposite.

Just as with standard agenda items, all shareholder proposals will be analysed on a case-by-case basis, taking into consideration:

- The reasonableness of the demand;
- The credentials of the proponent;
- The responsiveness of the company; and
- The anticipated costs and benefits to the company and thus to shareholders of the resolution passing.

☐ No, we do not track this information

**LEA  
23.4**

Additional information.

SNS AM tracks and reports detailed voting information on a client-by-client basis only, and thus does not have cumulative voting data that reflects the total votes cast as for, against or abstain, or specifically for or against management across all SNS AM accounts. The information provided above is thus from 1 client whose holdings are generally representative of SNS AM's clients on the whole.

**LEA 24**

**Voluntary**

**Descriptive**

**PRI 2**

**LEA  
24.1**

Indicate if your organisation directly or via a service provider filed or co-filed any shareholder resolutions during the reporting year.

☐ Yes

☒ No

**LEA 25**

**Voluntary**

**Descriptive**

**PRI 2**

**LEA  
25.1**

Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

☒ Add Example 1

|                    |   |
|--------------------|---|
| Topic or ESG issue | Executive compensation  |
| Decision made by   | <input type="checkbox"/> Internal staff<br><input checked="" type="checkbox"/> Service provider   |
| Objectives         | Align compensation practices with the interests of shareholders, including, but not limited to, linking pay to ESG performance  |
| Scope and Process  | Across regions where our clients invest, we voted against management on executive compensation matters when we found the proposals were not in the interests of shareholders. |
| Outcomes           | In most cases, the reality is that a majority of votes are cast in support of management.   |

☒ Add Example 2

|                    |  |
|--------------------|--|
| Topic or ESG issue | Environmental management and disclosure  |
| Decision made by   | <input type="checkbox"/> Internal staff<br><input checked="" type="checkbox"/> Service provider  |
| Objectives         | Encourage the company to: disclose its policies, procedures and practices aimed at minimizing adverse health and environmental impacts of shale gas operations; disclose its estimated potential remediation liabilities related to offshore drilling; conduct a climate change risk assessment and report the results; and nominate a board of director candidate with environmental expertise.   |
| Scope and Process  |  |
| Outcomes           | As part of our ongoing engagement with the company on related ESG topics, we communicated our voting behaviour and motivations to the company, via a formal letter, following the AGM. These topics were then taken up further in a subsequent call with the company. We explained to the company that we found the topics to be material to the company's business, and that votes in favour were in alignment with our Fundamental Investment Principles regarding environmental best practices. |

☒ Add Example 3

|                    |   |
|--------------------|---|
| Topic or ESG issue | Board independence in Japan   |
| Decision made by   | <input type="checkbox"/> Internal staff<br><input checked="" type="checkbox"/> Service provider   |
| Objectives         | Express our dissatisfaction with the ongoing lack of board independence at Japanese companies, and encourage them to put forward more independent nominees  |
| Scope and Process  | Per our Voting Policy, in Japan, SNS AM will normally vote against the re-election or nomination of directors to boards that are not sufficiently independent. .  |
| Outcomes           | We have seen large corporations such as Toyota Motor and Sumitomo Corporation nominating their first-ever independent directors - three at Toyota Motor, and two at Sumitomo Corporation. We welcome these developments, especially at Toyota, because this company has an iconic status among Japanese corporations and has strongly opposed appointing independent board members in the past. |

- ☐ Add Example 4
- ☐ Add Example 5
- ☐ Add Example 6
- ☐ Add Example 7
- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

## Communication

|        |           |               |         |
|--------|-----------|---------------|---------|
| LEA 26 | Mandatory | Core Assessed | PRI 2,6 |
|--------|-----------|---------------|---------|

|          |  |
|----------|--|
| LEA 26.1 | Indicate if your organisation proactively discloses information on your voting activities. |
|----------|--|

- ☒ We disclose it publicly

|             |
|-------------|
| provide URL |
|-------------|

<https://east.proxydisclosure.com/ProxyDisclosureWeb/wd.do?token=f5207edddff9450c99c335181d190946&>

|             |
|-------------|
| provide URL |
|-------------|

<https://east.proxydisclosure.com/ProxyDisclosureWeb/wd.do?token=07758e3ddaf04932b1f6b29e38a05743&>

**LEA  
26.2**

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

☒ Yes

**LEA  
26.3**

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

Indicate how much of your voting record you disclose

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

Indicate what level of explanation you provide

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

**LEA  
26.4**

Indicate how frequently you typically report voting information.

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

**LEA  
26.6**

Additional information. [Optional]

Via Broadridge, we have set up voting disclosure sites for our clients where their voting results are published in real time. Additionally, each quarter we report to clients on voting trends across all the regions where they are invested, a select number of voting cases that highlight particularly interesting or controversial ESG issues, and their voting statistics (number of meetings, number of FOR, AGAINST or ABSTAIN votes, broken down by management and shareholder resolutions).

# SNS Asset Management

## Reported Information

### Public version

#### Direct - Fixed Income

## 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.

## Overview

FI 01

Mandatory to Report Voluntary to Disclose

Gateway/Peering

PRI 1

FI 01.1

Provide a breakdown of your internally managed fixed income investments by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your fixed income investments, indicate if you would still like to report your activities.

Fixed income – corporate

### Strategies

- ☐ Passive
- ☒ Active – quantitative (quant)

Percentage of internally managed fixed income - corporate

☒ <10%

**Report on your strategies that represents <10% of corporate fixed income**

☒ Yes

☐ No

☐ 10-50%

☐ >50%

- ☒ Active - fundamental and other active strategies

Percentage of internally managed fixed income - corporate

☐ <10%

☐ 10-50%

☒ >50%

Fixed income – government

### Strategies

- ☒ Passive

Percentage of internally managed fixed income - government

☒ <10%

**Report on your strategies that represents <10% of government fixed income**

☒ Yes

☐ No

☐ 10-50%

☐ >50%

☒ Active – quantitative (quant)

Percentage of internally managed fixed income - government

☐ <10%

☒ 10-50%

☐ >50%

☒ Active - fundamental and other active strategies

Percentage of internally managed fixed income - government

☐ <10%

☐ 10-50%

☒ >50%

FI 02

Mandatory to Report Voluntary to Disclose

Peering

General

FI 02.1

Provide a breakdown of your internally managed fixed income investments by credit quality.

| Credit quality   | Fixed Income - Corporate  | Fixed Income - Government   |
|------------------|---|---|
| Investment grade | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input checked="" type="radio"/> >50% | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input checked="" type="radio"/> >50% |
| High yield       | <input type="radio"/> 0%<br><input checked="" type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input type="radio"/> >50% | <input checked="" type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input type="radio"/> >50% |
| Distressed       | <input checked="" type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input type="radio"/> >50% | <input checked="" type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input type="radio"/> >50% |

FI 02.2

Provide a breakdown of your fixed income investments between primary and secondary market.



| Market                      | Fixed Income - Corporate  | Fixed Income - Government   |
|-----------------------------|---|---|
| Primary market (new issues) | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input checked="" type="radio"/> 10-50%<br><input type="radio"/> >50% | <input type="radio"/> 0%<br><input checked="" type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input type="radio"/> >50% |
| Secondary market            | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input checked="" type="radio"/> >50% | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input checked="" type="radio"/> >50% |

## ESG incorporation in actively managed fixed income

| FI 03   | Voluntary   | Descriptive | PRI 1 |
|---------|---|-------------|-------|
| FI 03.1 | Provide a brief overview of how you incorporate ESG issues in fixed income investments. |             |       |
|         | Fixed Income - Corporate  |             |       |

SNS Asset Management (SNS AM) has implemented a policy to judge its fixed income investments in the light of its Fundamental Investment Principles. (these were further explained in the previous chapter). This policy applies to investments in corporate bonds, collateralized (covered and securitized) bonds, government bonds, sub-sovereign bonds, and supranational bonds.

### Corporate bonds

To decide upon the eligibility of investments in corporate bonds, compliance with the Fundamental Investment Principles by the issuer is decisive. When a company has been approved for investment in its equity, it is also approved for investment in its corporate bonds. Conversely, a corporate bond is automatically excluded from investment when the issuer is excluded for investment in equity.

### Collateralized bonds

Collateralized (covered and securitized) bonds are examined individually. As a ground rule, the structured product will be disapproved when the issuing institution has been disapproved. When the issuing institution has been approved, the eligibility of investments in the structured product is determined by individual examination. Among other things, the specific features of the product (credit cards, mortgages) and its (non-) compliance with the Fundamental Investment Principles will be considered.

### Government bonds

For the investment in government bonds, the countries in the investment universe (Markit iBoxx) are examined on possible violations of the prohibition of the involvement in controversial weapons production, of fundamental human and labour rights and of environmental standards.

Given the fact that SNS AM's sphere of influence is limited to the investment decisions under its full control, this policy restrictively applies to SNS AM's direct investments in government bonds. It does not apply to indirect investments in government bonds (e.g. through investments in index funds).

### Weapons

According to the Fundamental Investment Principles, SNS AM will not invest in companies that are directly involved in the production, development, sale, or distribution of controversial weapons and/or essential and specialised components or services. This includes companies holding a stake (and/or voting powers) of 10% or more in another company that is involved in controversial weapons business. Essential components or services are crucial for the functioning of the weapon, such as sub-munitions, fuses, and warheads. Specialised components or services are those that are specifically developed and provided for the controversial weapon.

SNS AM further excludes investments in entities that are involved in controversial arms trade. This concerns the trade of conventional weapons, including the provision of related services, with countries and non-state actors against which arms embargoes are imposed by the Security Council of the United Nations, or the Council of the European Union.

SNS AM considers weapons controversial if they are forbidden under international law and banned by international conventions or treaties, or if they violate fundamental humanitarian principles when they are used. The humanitarian principles include the principles of proportionality, which requires the prevention of unnecessary suffering, and distinction, which requires that military and civilian targets are distinguished.

SNS AM considers the following weapons as controversial:

- Anti-personnel mines: as defined by the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction, 1997;
- Biological weapons: as defined by the Convention on the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction, 1972;
- Chemical weapons: as defined by the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction, 1993;
- Cluster weapons: as defined by the Convention on Cluster Munitions, 2008;
- Nuclear weapons

In addition to the conventions listed above, SNS AM considers the following international

conventions when applying this principle:

- Treaty on the Non-Proliferation of Nuclear Weapons, 1968
- Comprehensive Nuclear-Test-Ban Treaty
- Protocol for the Prohibition of the Use of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare, 1925
- Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May be Deemed to be Excessively Injurious or to Have Indiscriminate Effects, 2001
- Article 36 of Protocol I Additional to the 1949 Geneva Conventions, 1977

#### *Human/labour rights and environmental standards*

SNS AM excludes countries from investment in government bonds, when there is an unacceptable risk of (future) involvement in serious and gross human and labour rights violations and/or serious, irreversible environmental damage, for which the government can be held responsible. Accountability on the part of a government occurs when the government is complicit in the violations and is taking insufficient measures to avoid the reoccurrence of similar violations.

#### **Sub-sovereigns and supranational bonds**

For sub-sovereigns, a derivative of the stance regarding government bonds is applied. When a country has been approved, then also the regions, agencies, public banks and other sub-sovereigns are approved, unless there are specific controversies pertaining to those sub-sovereigns. When any given country has been excluded, bonds from its sub-sovereigns are approved unless the controversies pertaining to the central government are also directly applicable to the sub-sovereign actors. Investments in bonds issued by supranational organizations are admissible as long as the issuers concerned are compliant with the Fundamental Investment Principles.

## **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)
- ☒ Screening + Integration strategies

|   |                                       |
|---|---------------------------------------|
| Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%) | <div> <div></div> <div>%</div> </div> |
|   | 100                                   |

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

|  |   |
|--|---|
|  | Total actively managed fixed income - corporate |
|--|---|

100%

|                |   |
|----------------|---|
| <b>FI 04.2</b> | Describe your primary reasons for choosing a particular incorporation strategy. |
|----------------|---|

At SNS AM we apply both screening and ESG integration strategies in our fixed income portfolio, as we do with our equities portfolios.

|              |                  |                            |              |
|--------------|------------------|----------------------------|--------------|
| <b>FI 05</b> | <b>Voluntary</b> | <b>Additional Assessed</b> | <b>PRI 1</b> |
|--------------|------------------|----------------------------|--------------|

|                |   |
|----------------|---|
| <b>FI 05.1</b> | Indicate what ESG information you use in your ESG incorporation strategies and who provides this information. |
|----------------|---|

#### Type of ESG information

- ☒ Raw ESG company data

|  |   |
|--|---|
|  | Describe who provides this information. |
|--|---|

Data provider

- ☒ Issuer-related analysis or ratings

Describe who provides this information.

Data provider - inhouse ESG Team

☒ Sector-related analysis or ratings

Describe who provides this information.

Data provider - inhouse ESG Team

☒ Country-related analysis or ratings

Describe who provides this information.

Data provider - Portfolio managers

☒ Screened bond list

Describe who provides this information.

Data provider

☐ Issue-specific analysis or ratings

☐ Other, specify

#### FI 05.2

Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

A first screening of the universe (iBxxx) is done by an external data provider. They screen the list for issuers/companies violating our Fundamental Investment Principles and the UN Global Compact. Subsequently the inhouse ESG team will conduct their own analyses and research. Both will also supply sector related analysis. The portfolio managers themselves will conduct the country-related analysis.

### (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 |
|-------------|
|-------------|

An exclusionary screening is done every quarter based on our Fundamental Investment Principles which incorporate Environmental, Social and Governance Issues. Next to that several products, for instance nuclear weapons, and activities, for instance *riverine tailings disposal* are excluded.

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

#### Screened by

- ☒ UN Global Compact Principles
- ☒ Universal Declaration of Human Rights
- ☒ International Labour Organization Conventions
- ☒ United Nations Convention Against Corruption
- ☒ OECD Guidelines for Multinational Enterprises
- ☒ Other, specify

please check the list of other international mechanism we consult as an appendix to our FIP on our website. <http://www.snsam.nl/en/>

| Description |
|-------------|
|-------------|

The Fundamental Investment Principles are based on international treaties, conventions and best practices.

**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.

Screening criteria (Fundamental Investment Principles) are established by the in-house ESG team in close collaboration with our clients and are reviewed every quarter. The final decision to approve a change in the Fundamental Investment Principles lies in the hands of the SNS AM Selection Committee. The SNS AM Selection Committee meets at least 4 times a year and decides on among other things on the eligibility of investments and revisions of the Fundamental Investment Principles. This decision and policy-making body comprises at least four and possible five members: one member of the management board - with the CEO performing the role of Chair; the CIO; the Head of the ESG Research team; and at least one independent external member, who is invited by the Chair. After each SNS AM Selection Committee meeting clients are informed on the decisions made.

**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

**FI 08****Voluntary****Additional Assessed****PRI 1****FI 08.1**

Indicate which processes your organisation uses to ensure that fund criteria are not breached in corporate fixed income investments.

- ☒ Checks are performed to ensure that issuers meet the funds' screening criteria. These checks are:
  - ☒ Systematic
  - ☐ Occasional
- ☐ Automated IT systems prevent investment managers from investing in excluded bonds or those that do not meet positive screening criteria
- ☒ Audits of fund holdings are undertaken regularly by internal audit function
- ☐ Other, specify
- ☐ None of the above

**FI 08.2**

If breaches of fund screening criteria are identified, describe the process followed to correct those breaches.

Compliance with blacklists on the part of portfolio managers is enforced through IT systems for our equity holdings and it is technically not possible to purchase excluded stocks. Should a manager nonetheless seek to do so, our risk management team will receive a notification.

For our fixed income positions however, such ex ante blocking is not possible due to technical limitations. Here, through formal process instructions, our portfolio managers are required to consult blacklists before setting purchase orders. On a quarterly basis, holdings are then checked for excluded securities on an ex post basis. This analysis is signed off by the CIO, and presented to risk management. On a regular basis, irregularities as noted by risk management are discussed by the board. Finally, blacklists and the internal communications aimed at enforcing them are part of our external ISAE3402 audits. If breaches are found however, bonds are sold immediately. Clients are notified at once and compensated if necessary.

### (C) Implementation: Integration of ESG factors

**FI 10****Voluntary****Descriptive****PRI 1****FI 10.1**

Describe how you integrate ESG issues into investment decision-making processes.

The motivation for integrating ESG Issues in corporate bonds driven are by values of our own organisation. Having a long history with using ESG data in our equity funds we started to implement similar strategies for our corporate fixed income funds. PMT en ESG staff work together and share information on the issuers. Especially governance related issues are included in the fundamental analysis. In 2013 we have developed a new and improved ESG scoring methodology for corporates. These scores form the basis for dialogue with the ESG team and are available for the portfolio managers in their decision making process. In 2014 we intent to develop a discussion with clients in order to integrate these ESG scores in their formal mandates

**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 checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly<br><input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly<br><input type="radio"/> We do not review environmental issues                      |
| Social               | <input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly<br><input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly<br><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<br><input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly<br><input type="radio"/> We do not review corporate governance issues |

|       |           |             |       |
|-------|-----------|-------------|-------|
| FI 12 | Voluntary | Descriptive | PRI 1 |
|-------|-----------|-------------|-------|

|         |   |
|---------|---|
| FI 12.1 | Indicate which processes your organisation uses to ensure that ESG integration is based on a 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
- ☒ Company information and/or ratings on ESG are updated regularly
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

|         |   |
|---------|---|
| FI 12.2 | Describe how ESG information is held and used by your portfolio managers. |
|---------|---|

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☐ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☐ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify

## Fixed income - Government

|       |           |               |       |
|-------|-----------|---------------|-------|
| FI 13 | Mandatory | Core Assessed | PRI 1 |
|-------|-----------|---------------|-------|

**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<br><input checked="" type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly<br><input type="radio"/> We do not review environmental issues                      |
| Social               | <input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly<br><input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly<br><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<br><input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly<br><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]

When reviewing government fixed income investments we use both screening and integration. The screening is based on our Fundamental Investment Principles and is explained more thoroughly in question FI 03. Based on the screening several countries are excluded from our investment portfolio:

- China (weapons; human rights, labor rights)
- Finland (weapons)
- Greece (weapons, corruption)
- Poland (weapons)
- South Korea (weapons, human rights)
- Turkey (weapons)
- United States of America (production of controversial weapon systems)
- Mexico (human rights)

Besides screening government fixed income investments on exclusion criteria like weapons and human rights, E, S and G issues are also used in the investment process. Portfolio managers use social and governance criteria like labor rights, gini index, gender equality and health and safety to form an opinion on government bonds. The information is used as a positive selection tool and is completely incorporated in the final investment decision. In 2013 we have developed a new and improved ESG scoring methodology for governments. These scores form the basis for dialogue with the ESG team and are available for the portfolio managers in their decision making process. In 2014 we intent to develop a discussion with clients in order to integrate these ESG scores in their formal mandates.

☐ No

## ESG incorporation in passively managed fixed income

FI 14

Mandatory to Report Voluntary to Disclose

Gateway

PRI 1

### Fixed Income - Government

☒ Yes

FI 14.2b

Indicate the percentage of your total passive fixed income funds for which ESG issues are incorporated in the index construction methodology.

(% of total passive government fixed income funds)

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

**FI 14.3b**

Specify index/fund name, provide a brief description of ESG methodology and indicate which of the following ESG incorporation strategy you apply.

☒ Index/fund 1

| Index and fund name and brief description of ESG methodology  | ESG incorporation strategy  |
|---|---|
| Customized index fund. Government bonds are selected based on how governments contribute to improving sustainability in society | <input checked="" type="checkbox"/> Screening<br><input type="checkbox"/> Thematic<br><input checked="" type="checkbox"/> Integration of ESG issues<br><input type="checkbox"/> Other |

- ☐ Index/fund 2  
☐ Index/fund 3  
☐ Index/fund 4  
☐ Index/fund 5

☐ No

## Outputs and outcomes

| FI 15 | Voluntary | Descriptive | PRI 1 |
|-------|-----------|-------------|-------|
|-------|-----------|-------------|-------|

**FI 15.1**

Indicate how your ESG incorporation strategies have influenced the composition of your fixed income portfolio(s) or investment universe.

### Fixed Income - Corporate

- ☒ Narrow down or prioritise the investment universe  
☒ Buy / sell / weight decisions  
☐ Other, specify

### Fixed Income - Government

- ☒ Narrow down or prioritise the investment universe  
☒ Buy / sell / weight decisions  
☐ Other, specify

| FI 16 | Voluntary | Descriptive | PRI 1 |
|-------|-----------|-------------|-------|
|-------|-----------|-------------|-------|

**FI 16.1**

Indicate if you believe (by applicable strategy) that incorporating ESG factors has:  
 (a) Impacted funds' financial performance; (b) Reduced funds' risk or volatility; (c)  
 Improved funds' ESG performance.

**Fixed Income - Corporate****a) Impacted funds' financial performance**

| Screening                           | Integration of ESG issues           |
|-------------------------------------|-------------------------------------|
| <input type="radio"/> Yes           | <input type="radio"/> Yes           |
| <input checked="" type="radio"/> No | <input checked="" type="radio"/> No |

**b) Reduced funds' risk or volatility**

| Screening                           | Integration of ESG issues           |
|-------------------------------------|-------------------------------------|
| <input type="radio"/> Yes           | <input type="radio"/> Yes           |
| <input checked="" type="radio"/> No | <input checked="" type="radio"/> No |

**c) Improved funds' ESG performance**

| Screening                            | Integration of ESG issues            |
|--------------------------------------|--------------------------------------|
| <input checked="" type="radio"/> Yes | <input checked="" type="radio"/> Yes |
| <input type="radio"/> No             | <input type="radio"/> No             |

**Fixed Income - Government****a) Impacted funds' financial performance**

| ESG incorporation (for actively managed funds) | Index incorporating ESG issues (for passively managed funds) |
|--|--|
| <input checked="" type="radio"/> Yes           | <input checked="" type="radio"/> Yes                         |
| <input type="radio"/> No                       | <input type="radio"/> No                                     |

**b) Reduced funds' risk or volatility**

| ESG incorporation (for actively managed funds) | Index incorporating ESG issues (for passively managed funds) |
|--|--|
| <input checked="" type="radio"/> Yes           | <input type="radio"/> Yes                                    |
| <input type="radio"/> No                       | <input checked="" type="radio"/> No                          |

c) Improved funds' ESG performance

| ESG incorporation (for actively managed funds)                   | Index incorporating ESG issues (for passively managed funds)     |
|--|--|
| <input checked="" type="radio"/> Yes<br><input type="radio"/> No | <input checked="" type="radio"/> Yes<br><input type="radio"/> No |

FI 16.2

Describe how you are able to determine these outcomes and your actual performance.

By excluding countries, SNS AM creates an upfront bias versus all client benchmarks. The impact of that bias is country specific and varies due to benchmark weights and varying credit spreads and volatility across countries. SNS AM believes that the performance attributed by this bias will be positive in the long run. In recent history Greece was also excluded due to our weapons and corruption criteria. Obviously this contributed highly to our clients relative performance, saving those clients millions of euros. Medio 2009 Greece accounted for 3% of the broad iBoxx EUR Overall benchmark. A 30% loss on the bonds was visible before bonds were downgraded to below investment grade and removed from the index.

FI 17

Voluntary

Descriptive

PRI 1

FI 17.1

Provide examples of ESG issues that affected your fixed income investment view and/or performance during the reporting year.

☒ ESG issue 1

|   |  |
|---|--|
|   | Fixed Income - Corporate and/or Government |
| <input checked="" type="checkbox"/> Corporate<br><input type="checkbox"/> Government  |  |
|   | ESG issue and explanation                  |
| UK Mining company - violation of our Fundamental Investment Principles based on environmental issues.   |  |
|   | ESG incorporation strategy applied         |
| <input checked="" type="checkbox"/> Screening<br><input type="checkbox"/> Thematic<br><input type="checkbox"/> Integration<br><input type="checkbox"/> Combination of ESG incorporation strategies<br><input type="checkbox"/> Index incorporating ESG issues |  |
|   | Impact on investment view or performance   |
| The company is excluded from any form of investment   |  |

☒ ESG issue 2

|   |  |
|---|--|
|   | Fixed Income - Corporate and/or Government |
| <input type="checkbox"/> Corporate<br><input checked="" type="checkbox"/> Government  |  |
|   | ESG issue and explanation                  |
| EU Country- violation of our Fundamental investment Principles based on our nuclear weapons criteria.   |  |
|   | ESG incorporation strategy applied         |
| <input checked="" type="checkbox"/> Screening<br><input type="checkbox"/> Thematic<br><input type="checkbox"/> Integration<br><input type="checkbox"/> Combination of ESG incorporation strategies<br><input type="checkbox"/> Index incorporating ESG issues |  |
|   | Impact on investment view or performance   |
| The country is excluded and so government bonds of this country are not part of our investment universe   |  |

☒ ESG issue 3



|   |  |
|---|--|
|   | Fixed Income - Corporate and/or Government |
| <input type="checkbox"/> Corporate<br><input checked="" type="checkbox"/> Government  |  |
|   | ESG issue and explanation                  |
| EU Country - positive selection based on social and governance issues   |  |
|   | ESG incorporation strategy applied         |
| <input type="checkbox"/> Screening<br><input type="checkbox"/> Thematic<br><input checked="" type="checkbox"/> Integration<br><input type="checkbox"/> Combination of ESG incorporation strategies<br><input type="checkbox"/> Index incorporating ESG issues |  |
|   | Impact on investment view or performance   |
| When making the decision to invest in one country or the other, social and governance issues were included. Based on these, decision was to invest in the country with the highest social and governance score.   |  |

- ☐ ESG issue 4
- ☐ ESG issue 5

## Communication

| FI 18 | Mandatory | Core Assessed | PRI 2,6 |
|-------|-----------|---------------|---------|
|-------|-----------|---------------|---------|

|                |  |
|----------------|--|
| <b>FI 18.1</b> | Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments. |
|----------------|--|

- ☒ We disclose it publicly

|  |             |
|--|-------------|
|  | Provide URL |
|--|-------------|

<http://www.snsam.nl/en/>

|                |   |
|----------------|---|
| <b>FI 18.2</b> | Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries. |
|----------------|---|

- ☐ Yes
- ☒ No

**FI 18.3**

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

| Reporting to public   | Reporting to clients/beneficiaries  |
|---|---|
| <input checked="" type="radio"/> Broad approach to ESG incorporation<br><input type="radio"/> Detailed explanation of ESG incorporation strategy used | <input type="radio"/> Broad approach to ESG incorporation<br><input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used |

**FI 18.4**

Indicate how frequently you typically report this information.

| Reporting to public  | Reporting to clients/beneficiaries   |
|--|--|
| <input checked="" type="radio"/> Quarterly or more frequently<br><input type="radio"/> Between quarterly and annually<br><input type="radio"/> Less frequently than annually<br><input type="radio"/> Other, specify | <input checked="" type="radio"/> Quarterly or more frequently<br><input type="radio"/> Between quarterly and annually<br><input type="radio"/> Less frequently than annually<br><input type="radio"/> Other, specify |

☐ We disclose it to clients/beneficiaries only

☐ We do not proactively disclose it to the public and/or clients/beneficiaries

## Engagement in fixed income investments

### Fixed Income - Corporate

| FI 19 | Voluntary | Descriptive | PRI 2 |
|-------|-----------|-------------|-------|
|-------|-----------|-------------|-------|

**FI 19.1**

Indicate if you engage with corporate issuers.

☒ Yes

**FI 19.2**

Describe your organisation's approach to engagement in corporate fixed income.

Our approach to engagement with Fixed income - corporates is the same as for engagements with equities. Please check question LEI 01.1

☐ No

### Fixed Income - Government

| FI 20 | Voluntary | Descriptive | PRI 2 |
|-------|-----------|-------------|-------|
|-------|-----------|-------------|-------|

**FI 20.1**

Indicate if you engage with government issuers such as government departments (national or local), agencies and other entities in order to influence their approach to ESG issues that may affect creditworthiness.

☐ Yes

☒ No

# SNS Asset Management

## Reported Information

### Public version

#### Direct - Inclusive Finance

## PRI disclaimer

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## Context

| IFD 01 | Voluntary | Descriptive | PIIF General |
|--------|-----------|-------------|--------------|
|--------|-----------|-------------|--------------|

**IFD 01.1**

Indicate if you have a distinct mission and investment objective for your investment in inclusive finance.

☒ Yes

**IFD 01.2**

Describe your inclusive finance mission and investment objective.

SNS Impact Investing is the development investments entity of SNS Asset Management. Since 2007 SNS Asset Management develops and manages Impact Investing Funds. The committed capital of the SNS Impact Investing funds is EUR 0.4 billion. Through its professional funds it invests in social development all over the globe, and aims to combine a market rate return with a demonstrable contribution to a better world. SNS Impact Investing creates value for its clients, for the investees and for society by developing, promoting and/ or distributing impact investment solutions. Impact investment solutions are typically accomplished by way of funds, but may also involve impact investment mandates and impact advisory services. SNS Impact Investing currently manages two institutional microfinance funds and one Small and Medium Enterprise Finance fund. The inclusive finance mission of these funds is to:

Improve access to finance for low income people in developing and emerging economies and for SMEs;

Enhance the capacity of the clients of the financial institutions (including MFIs) to manage their financial affairs in a responsible way;

Prompt financial institutions - including MFIs - to improve the quality of their reporting on financial and nonfinancial performance according to generally agreed upon standards; and

Prompt financial institutions - including MFIs - to increase their transparency and optimally protect the interests of their clients.

☐ No

| IFD 02 | Voluntary | Descriptive | PIIF General |
|--------|-----------|-------------|--------------|
|--------|-----------|-------------|--------------|

**IFD 02.1**

Provide a brief description of the governance and management structures and processes you have in place for your responsible investment activities and implementation of the PIIF.

Within SNS Impact Investing responsible investment is key to all our activities, which means everybody in the team is committed to the PIIF. The SNS II Investment Committee decides on actual investments based on an integral assessment of the potential (financial and non-financial) risks and returns. In addition, the SNS II Fund Management Committee monitors the development of these risks and returns once the investments have been made. One of the managing directors of SNS Impact Investing, bears the final responsibility for Impact Management related activities. He is responsible for the Responsibility & Impact Frameworks for all funds launched by SNS Impact Investing and he oversees the integration of the non-financial and impact criteria in the investment process. The responsible managing director is supported by an Investment Committee member and together they take care of the integration of the PIIF in all relevant policies and investment procedures.

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

| IFD 03 | Voluntary | Descriptive | PIIF General |
|--------|-----------|-------------|--------------|
|--------|-----------|-------------|--------------|

**IFD 03.1**

Indicate if you set social targets for your organisation, specific to inclusive finance.

- ☒ Yes  
☐ No

**IFD 03.2**

Additional information.

The social mission of SNS Impact Investing is to create value for our clients, for the investees and for society by developing, promoting and/ or distributing impact investment solutions. Our social target is to increase access to responsible financial services for people and SME companies excluded from or restricted in their access to traditional banks. We try to do this through the following commitments:

Responsibly increase the size of MFIs' microfinance loan book, supporting their growth ambitions helping them to expand product lines, manage currency risk, and enhance their capital structure. (b) Enable the MFIs to extend the maturity profile and the average maturity of their funding, in order to help mitigate potential refunding risks, (c) Raise the visibility of microfinance among mainstream investors  
 (d) Familiarize MFIs with more sophisticated financing techniques, promoting professionalization of the Treasury function within the MFI industry (e) Raise micro entrepreneur income levels

Responsibly increase the size of SME loans through investments in financial institutions in emerging and developing markets, helping them to expand product lines, manage currency risk, and enhance their capital structure. (b) Raise the visibility of SME finance among mainstream investors (c) Promote the professionalization of the financial institutions with regard to SME finance, including social and environmental performance.

| IFD 04 | Mandatory to Report Voluntary to Disclose | Gateway | PIIF General |
|--------|---|---------|--------------|
|--------|---|---------|--------------|

|                 |   |
|-----------------|---|
| <b>IFD 04.1</b> | Of your total assets invested directly in inclusive finance, indicate what percentage is invested in the following: |
|-----------------|---|

|              |   |
|--------------|---|
| Equity       | <input type="radio"/> 0%<br><input checked="" type="radio"/> <20%<br><input type="radio"/> 20-40%<br><input type="radio"/> 41-60%<br><input type="radio"/> 61-80%<br><input type="radio"/> >80%   |
| Debt         | <input type="radio"/> 0%<br><input type="radio"/> <20%<br><input type="radio"/> 20-40%<br><input type="radio"/> 41-60%<br><input type="radio"/> 61-80%<br><input checked="" type="radio"/> >80% <div style="border: 1px solid black; background-color: #0070C0; color: white; padding: 2px; margin-top: 5px;">Of which, subordinated debt</div> <input type="checkbox"/> 0%<br><input checked="" type="checkbox"/> <20%<br><input type="checkbox"/> 20-40%<br><input type="checkbox"/> 41-60%<br><input type="checkbox"/> 61-80%<br><input type="checkbox"/> >80% |
| Guarantees   | <input type="radio"/> 0%<br><input checked="" type="radio"/> <20%<br><input type="radio"/> 20-40%<br><input type="radio"/> 41-60%<br><input type="radio"/> 61-80%<br><input type="radio"/> >80%   |
|              | <input checked="" type="radio"/> 0%<br><input type="radio"/> <20%<br><input type="radio"/> 20-40%<br><input type="radio"/> 41-60%<br><input type="radio"/> 61-80%<br><input type="radio"/> >80%   |
| <b>Total</b> | <b>100%</b>   |

|               |                            |                              |                |                     |
|---------------|----------------------------|------------------------------|----------------|---------------------|
| <b>IFD 05</b> | <b>Mandatory to Report</b> | <b>Voluntary to Disclose</b> | <b>Gateway</b> | <b>PIIF General</b> |
|---------------|----------------------------|------------------------------|----------------|---------------------|

|                 |   |
|-----------------|---|
| <b>IFD 05.1</b> | Of your total assets invested directly in inclusive finance, indicate what percentage is invested in the following: |
|-----------------|---|

|  |  |   |
|--|--|---|
| <b>Microfinance</b>  |  | <input type="checkbox"/> 0%<br><input type="checkbox"/> <20%<br><input type="checkbox"/> 20-40%<br><input type="checkbox"/> 41-60%<br><input type="checkbox"/> 61-80%<br><input checked="" type="checkbox"/> >80% |
| <div>SME finance (provide your definition of SME)</div> <div>See IFD 05.02</div> |  | <input type="checkbox"/> 0%<br><input checked="" type="checkbox"/> <20%<br><input type="checkbox"/> 20-40%<br><input type="checkbox"/> 41-60%<br><input type="checkbox"/> 61-80%<br><input type="checkbox"/> >80% |
|  |  | <input checked="" type="checkbox"/> 0%<br><input type="checkbox"/> <20%<br><input type="checkbox"/> 20-40%<br><input type="checkbox"/> 41-60%<br><input type="checkbox"/> 61-80%<br><input type="checkbox"/> >80% |
| <b>Total</b>   |  | <b>100%</b>   |

|                 |                                    |
|-----------------|------------------------------------|
| <b>IFD 05.2</b> | Additional information. [Optional] |
|-----------------|------------------------------------|

**Definition SME:**

Small and medium enterprises are typically defined as enterprises with a maximum in total revenues and/or total assets of at most the equivalent of fifteen million USD and a maximum of the three hundred employees. The relevant maximum may vary from country to country.

|               |  |                    |                     |
|---------------|--|--------------------|---------------------|
| <b>IFD 06</b> | <b>Mandatory to Report Voluntary to Disclose</b> | <b>Descriptive</b> | <b>PIIF General</b> |
|---------------|--|--------------------|---------------------|

|                 |   |
|-----------------|---|
| <b>IFD 06.1</b> | Indicate if you track the geographical spread of your total assets invested directly in microfinance. |
|-----------------|---|

☉ Yes



**IFD 06.2**

Of your total assets invested directly in microfinance, indicate the geographic spread as a percentage of your portfolio.

- ☐ Western Europe
- ☒ Eastern Europe & Central Asia

| % of portfolio   | Indicate the average loan size (in US\$) of your investees to active borrowers in this region. |
|--|--|
| <input type="checkbox"/> <20%<br><input checked="" type="checkbox"/> 20-40%<br><input type="checkbox"/> 41-60%<br><input type="checkbox"/> 61-80%<br><input type="checkbox"/> >80% | <input type="checkbox"/> We do not track this information                                      |

- ☐ North America
- ☒ Latin America (includes Central and South America) & Caribbean

| % of portfolio   | Indicate the average loan size (in US\$) of your investees to active borrowers in this region. |
|--|--|
| <input type="checkbox"/> <20%<br><input checked="" type="checkbox"/> 20-40%<br><input type="checkbox"/> 41-60%<br><input type="checkbox"/> 61-80%<br><input type="checkbox"/> >80% | <input type="checkbox"/> We do not track this information                                      |

- ☒ East Asia & Pacific

| % of portfolio   | Indicate the average loan size (in US\$) of your investees to active borrowers in this region. |
|--|--|
| <input checked="" type="checkbox"/> <20%<br><input type="checkbox"/> 20-40%<br><input type="checkbox"/> 41-60%<br><input type="checkbox"/> 61-80%<br><input type="checkbox"/> >80% | <input type="checkbox"/> We do not track this information                                      |

- ☒ South Asia

| % of portfolio   | Indicate the average loan size (in US\$) of your investees to active borrowers in this region. |
|--|--|
| <input checked="" type="checkbox"/> <20%<br><input type="checkbox"/> 20-40%<br><input type="checkbox"/> 41-60%<br><input type="checkbox"/> 61-80%<br><input type="checkbox"/> >80% | <input type="checkbox"/> We do not track this information                                      |

☒ Middle East & North Africa

| % of portfolio   | Indicate the average loan size (in US\$) of your investees to active borrowers in this region. |
|--|--|
| <input checked="" type="checkbox"/> <20%<br><input type="checkbox"/> 20-40%<br><input type="checkbox"/> 41-60%<br><input type="checkbox"/> 61-80%<br><input type="checkbox"/> >80% | <input type="checkbox"/> We do not track this information                                      |

☒ Sub-Saharan Africa

| % of portfolio   | Indicate the average loan size (in US\$) of your investees to active borrowers in this region. |
|--|--|
| <input checked="" type="checkbox"/> <20%<br><input type="checkbox"/> 20-40%<br><input type="checkbox"/> 41-60%<br><input type="checkbox"/> 61-80%<br><input type="checkbox"/> >80% | <input type="checkbox"/> We do not track this information                                      |

☐ No

## PIIF Principle 1: Range of services

|        |           |               |        |
|--------|-----------|---------------|--------|
| IFD 07 | Mandatory | Core Assessed | PIIF 1 |
|--------|-----------|---------------|--------|

### Possible action:

*Develop and extend the range of financial services available to low-income populations. Extensions could include savings, loans, insurance, payment services, remittance facilities and pension plans.*

|          |  |
|----------|--|
| IFD 07.1 | Indicate if you track the percentage of your microfinance investees' portfolio that is in microenterprise loans. |
|----------|--|

☒ Yes, we track

If you aggregate this information at an organisational level, indicate the percentage of your portfolio in microenterprise loans. [Optional]

- ☐ <20%
- ☐ 20-40%
- ☐ 41-60%
- ☒ 61-80%
- ☐ >80%

- ☐ No, we do not track
- ☐ Not applicable (there are no microenterprise loans in the portfolio)

#### IFD 07.2

Indicate if you track the percentage of your microfinance investees' portfolio that is in loans for immediate household needs (i.e. consumer loans).

- ☒ Yes, we track

If you aggregate this information at an organisational level, indicate the percentage of your portfolio in loans for immediate household needs. [Optional]:

- ☒ <20%
- ☐ 20-40%
- ☐ 41-60%
- ☐ 61-80%
- ☐ >80%

- ☐ No, we do not track
- ☐ Not applicable (there are no loans for immediate household needs in the portfolio)

#### IFD 07.3

Indicate if you track the percentage of your investees' portfolio in housing loans.

- ☒ Yes, we track

If you aggregate this information at an organisational level, indicate the percentage of your portfolio in loans for other categories. [Optional]

- ☒ <20%
- ☐ 20-40%
- ☐ 41-60%
- ☐ 61-80%
- ☐ >80%

- ☐ No, we do not track
- ☐ Not applicable (there are no loans for housing in the portfolio)

IFD 08

Mandatory

Core Assessed

PIIF 1

#### IFD 08.1

In your microfinance portfolio, indicate if you support the provision of financial services beyond credit, compulsory savings and/or compulsory insurance.

- ☒ Yes

**IFD 08.2**

Indicate which of the following services you support:

☒ Voluntary savings products

Provide examples of how and what you support.

We encourage MFIs to offer saving products if they are allowed to under local regulations.

Indicate if you gather data regarding the percentage of financial service providers in your portfolio that are offering such a service.

☒ Yes

If you aggregate this information at an organisational level, indicate the percentage of microfinance providers in the MIV or organisational direct portfolio offering such products.

- ☐ <20%
- ☐ 20-40%
- ☒ 41-60%
- ☐ 61-80%
- ☐ >80%

☐ No☒ Voluntary insurance products

Provide examples of how and what you support.

Through a program called FINISH, SNS II supports MFIs in India to cooperate with insurance companies and to offer health insurance to their clients. We do gather data of our portfolio MFIs that offer insurance products.

Indicate if you gather data regarding the percentage of financial service providers in your portfolio that are offering such a service.

☒ Yes

If you aggregate this information at an organisational level, indicate the percentage of microfinance providers in the MIV or organisational direct portfolio offering such products.

- ☒ <20%  
☐ 20-40%  
☐ 41-60%  
☐ 61-80%  
☐ >80%

☐ No

☒ Other financial services, specify

e.g. voluntary insurance

Provide examples of how and what you support.

We encourage MFIs to provide full financial services to their clients, based on the needs of clients in a specific region. We do gather data of our portfolio MFIs that offer other financial products.

Indicate if you gather data regarding the percentage of financial service providers in your portfolio that are offering such a service.

☒ Yes

If you aggregate this information at an organisational level, indicate the percentage of microfinance providers in the MIV or organisational direct portfolio offering such products.

- ☒ <20%  
☐ 20-40%  
☐ 41-60%  
☐ 61-80%  
☐ >80%

☐ No

☒ Non-financial services, specify

Reporting non-financial products

Provide examples of how and what you support.

We encourage MFIs to provide complementary non-financial services to the financial services they offer to their clients, based on the needs of clients in a specific region. We do gather data of our portfolio MFIs that offer other financial products.

Indicate if you gather data regarding the percentage of financial service providers in your portfolio that are offering such a service.

☒ Yes

If you aggregate this information at an organisational level, indicate the percentage of microfinance providers in the MIV or organisational direct portfolio offering such products.

- ☐ <20%
- ☐ 20-40%
- ☐ 41-60%
- ☒ 61-80%
- ☐ >80%

☐ No

☐ No

|        |           |                     |        |
|--------|-----------|---------------------|--------|
| IFD 09 | Voluntary | Additional Assessed | PIIF 1 |
|--------|-----------|---------------------|--------|

**Possible action:**

*Encourage providers to introduce innovative products tailored to needs of low-income clients.*

*Encourage providers to expand their service offering to more remote areas and more vulnerable populations.*

IFD 09.1

Indicate if you support the introduction of services tailored to the following client groups.

| Client groups | Yes/No   |
|---------------|--|
| The very poor | <p><input checked="" type="radio"/> Yes</p> <div>Describe how you support the introduction of such services.</div> <p>We assess whether the organisation has a policy and uses a poverty assessment tool to screen potential clients or assess client income level during the loan process. The Fund invests in MFIs that provide loans to the very poor, the poor and low-income clients. We do gather this data from all portfolio MFIs, but due to some problems with the Management Information Systems (MIS) the aggregated data is not available (yet).</p> <div>Indicate what percentage of assets you know to be supporting these clients.</div> <p> <input type="checkbox"/> 0%<br/> <input type="checkbox"/> &lt;20%<br/> <input type="checkbox"/> 20-40%<br/> <input type="checkbox"/> 41-60%<br/> <input type="checkbox"/> 61-80%<br/> <input type="checkbox"/> &gt;80%<br/> <input type="radio"/> We track at the investee level but do not aggregate this information<br/> <input checked="" type="radio"/> We do not track at the investee level<br/> <input type="radio"/> No </p> |
| The poor      | <p><input checked="" type="radio"/> Yes</p> <div>Describe how you support the introduction of such services.</div> <p>We assess whether the organisation has a policy and uses a poverty assessment tool to screen potential clients or assess client income level during the loan process. The Fund invests in MFIs that provide loans to the very poor, the poor and low-income clients. We do gather this data from all portfolio MFIs, but due to some problems with the Management Information Systems the aggregated data is not available (yet).</p> <div>Indicate what percentage of assets you know to be supporting these clients.</div> <p> <input type="checkbox"/> 0%<br/> <input type="checkbox"/> &lt;20%<br/> <input type="checkbox"/> 20-40%<br/> <input type="checkbox"/> 41-60%<br/> <input type="checkbox"/> 61-80%<br/> <input type="checkbox"/> &gt;80%<br/> <input type="radio"/> We track at the investee level but do not aggregate this information<br/> <input checked="" type="radio"/> We do not track at the investee level<br/> <input type="radio"/> No </p>       |
| Low           | <p><input checked="" type="radio"/> Yes</p>  |

|                |  |
|----------------|--|
| income clients | Describe how you support the introduction of such services.  |
|                | <p>We assess whether the organisation has a policy and uses a poverty assessment tool to screen potential clients or assess client income level during the loan process. The Fund invests in MFIs that provide loans to the very poor, the poor and low-income clients. We do gather this data from all portfolio MFIs, but due to some problems with the Management Information Systems the aggregated data is not available (yet).</p>   |
|                | <p>Indicate what percentage of assets you know to be supporting these clients.</p> <p> <input type="checkbox"/> 0%<br/> <input type="checkbox"/> &lt;20%<br/> <input type="checkbox"/> 20-40%<br/> <input type="checkbox"/> 41-60%<br/> <input type="checkbox"/> 61-80%<br/> <input type="checkbox"/> &gt;80%<br/> <input type="radio"/> We track at the investee level but do not aggregate this information<br/> <input checked="" type="radio"/> We do not track at the investee level<br/> <input type="radio"/> No         </p> |
|                | <p> <input type="radio"/> Yes<br/> <input checked="" type="radio"/> No         </p>  |

|          |   |
|----------|---|
| IFD 09.2 | Indicate if you collect data regarding the percentage or number of total active clients that are: |
|----------|---|

|  |       |
|--|-------|
|  | Rural |
|--|-------|

☒ Yes

|  |   |
|--|---|
|  | Indicate what percentage of your direct portfolio this represents |
|--|---|

- ☐ <20%  
☐ 20-40%  
☒ 41-60%  
☐ 61-80%  
☐ >80%

☐ No

|  |       |
|--|-------|
|  | Urban |
|--|-------|

☒ Yes



|  |   |
|--|---|
|  | Indicate what percentage of your direct portfolio this represents |
|--|---|

- ☐ <20%  
☐ 20-40%  
☒ 41-60%  
☐ 61-80%  
☐ >80%

☐ No

|  |        |
|--|--------|
|  | Female |
|--|--------|

☒ Yes

|  |   |
|--|---|
|  | Indicate what percentage of your direct portfolio this represents |
|--|---|

- ☐ <20%  
☐ 20-40%  
☐ 41-60%  
☒ 61-80%  
☐ >80%

☐ No

| IFD 10 | Voluntary | Descriptive | PIIF 1 |
|--------|-----------|-------------|--------|
|--------|-----------|-------------|--------|

**Possible action:**

*Supporting retail providers.*

|          |   |
|----------|---|
| IFD 10.1 | Indicate if you provide technical assistance to your investees. |
|----------|---|

- ☐ Yes  
☒ No

|          |                         |
|----------|-------------------------|
| IFD 10.2 | Additional information. |
|----------|-------------------------|

There is no specific Technical Assistance budget for investments made through the SNS Institutional Microfinance.

## PIIF Principle 2: Client protection

| IFD 11 | Mandatory | Core Assessed | PIIF 2 |
|--------|-----------|---------------|--------|
|--------|-----------|---------------|--------|

**Possible action:**

*Publicly endorse the Client Protection Principles (CPP).*

|                 |  |
|-----------------|--|
| <b>IFD 11.1</b> | Indicate if you have publicly endorsed the Client Protection Principles. |
|-----------------|--|

- ☒ Yes  
☐ No

|               |                  |                            |               |
|---------------|------------------|----------------------------|---------------|
| <b>IFD 12</b> | <b>Voluntary</b> | <b>Additional Assessed</b> | <b>PIIF 2</b> |
|---------------|------------------|----------------------------|---------------|

|                 |   |
|-----------------|---|
| <b>IFD 12.1</b> | Indicate if you provide training or assistance for your investees in implementing the Client Protection Principles and/or other client protection measures. |
|-----------------|---|

- ☒ Yes  
☐ No

|                 |                         |
|-----------------|-------------------------|
| <b>IFD 12.2</b> | Additional information. |
|-----------------|-------------------------|

SNS Impact Investing strongly encourages MFIs to endorse the CPP and to make them operational. Compliance and implementation of client protection measures is included in the loan agreement with MFIs. There is no Technical Assistance budget for the SNS Institutional Microfinance Funds. Nevertheless, our investment managers do assist MFIs in implementing the CPP through ongoing conversations with the MFIs. This is, however, an informal process.

|               |                  |                      |               |
|---------------|------------------|----------------------|---------------|
| <b>IFD 13</b> | <b>Mandatory</b> | <b>Core Assessed</b> | <b>PIIF 2</b> |
|---------------|------------------|----------------------|---------------|

|                 |   |
|-----------------|---|
| <b>IFD 13.1</b> | Indicate if you include the Client Protection Principles and/or other client protection measures in your investment policies. |
|-----------------|---|

- ☒ Yes

|                 |   |
|-----------------|---|
| <b>IFD 13.2</b> | Indicate if this is systematically applied. |
|-----------------|---|

|  |                      |
|--|----------------------|
|  | During due diligence |
|--|----------------------|

- ☒ Yes  
☐ No

|  |   |
|--|---|
|  | In covenants in loan agreements and/or in financing or shareholder agreements |
|--|---|

- ☒ Yes  
☐ No

|                 |  |
|-----------------|--|
| <b>IFD 13.3</b> | Indicate if you encourage investees to apply for Client Protection Certification. [Optional] |
|-----------------|--|

- ☒ Yes  
☐ No  
☐ No

## PIIF Principle 3: Fair treatment

IFD 14

Mandatory

Core Assessed

PIIF 3

### Possible action:

*Provide financing in an appropriate currency and tenor.*

IFD 14.1

In relation to your direct portfolio in debt, indicate if you provide investment in local currency.

☒ Yes

IFD 14.2

Indicate what percentage of your direct portfolio in debt is invested in the investee's local currency.

- ☐ <20%
- ☒ 20-40%
- ☐ 41-60%
- ☐ 61-80%
- ☐ >80%

☐ No

IFD 15

Mandatory

Descriptive

PIIF 3

### Possible action:

*Provide financing in an appropriate currency and tenor.*

*Actively support the building of a diversified funding base.*

IFD 15.1

In relation to your direct portfolio in debt, indicate what percentage have a maturity (from the point of investment) of the specified duration:

- ☐ 12 months or fewer
- ☐ 13 to 24 months
- ☒ 25 to 60 months

Indicate percentage

- ☐ <20
- ☒ 20-40%
- ☐ 41-60%
- ☐ 61-80%
- ☐ >80%

☐ Over 60 months

|                 |  |
|-----------------|--|
| <b>IFD 15.2</b> | Indicate if you have a set limit regarding the maximum fixed income investment exposure of the investees in which you invest. [Optional] |
|-----------------|--|

- ☒ Yes  
☐ No

|               |                  |                      |               |
|---------------|------------------|----------------------|---------------|
| <b>IFD 17</b> | <b>Mandatory</b> | <b>Core Assessed</b> | <b>PIIF 3</b> |
|---------------|------------------|----------------------|---------------|

**Possible action:**

*Negotiate terms and conditions that are transparent, fair and reasonable, including fair break-up clauses.*

|                 |  |
|-----------------|--|
| <b>IFD 17.1</b> | Indicate if you adopt the following practices: |
|-----------------|--|

- ☒ For fixed income investments: Use the Lenders' Guidelines for Setting Covenants in Support of Responsible Microfinance as an example or reference document.

|  |  |
|--|--|
|  | Indicate if these practices are formalised in written policies and procedures. |
|--|--|

- ☒ Yes  
☐ No

- ☒ Ensure that the investee understands the terms, covenants and their implications prior to signing loan / shareholder documentation.

|  |                        |
|--|------------------------|
|  | Describe your process. |
|--|------------------------|

Please refer to IFD 17.2 for additional information.

|  |  |
|--|--|
|  | Indicate if these practices are formalised in written policies and procedures. |
|--|--|

- ☒ Yes  
☐ No

- ☒ Foster trust and proactive dialogue with investees through straightforward discussions on issues such as a covenant breach.

|  |                        |
|--|------------------------|
|  | Describe your process. |
|--|------------------------|

Please refer to IFD 17.2 for additional information.

|  |  |
|--|--|
|  | Indicate if these practices are formalised in written policies and procedures. |
|--|--|

- ☒ Yes  
☐ No

- ☒ In the case of material covenant breach, create/participate in a voluntary workout group where applicable, with the goal to help the investee remain a going concern whenever possible.

|  |  |
|--|--|
|  | Indicate if these practices are formalised in written policies and procedures. |
|--|--|

☒ Yes

☐ No

☒ For fixed income investments: Train your staff on effective monitoring and covenant waiver negotiations to manage deteriorating conditions, and transition a non-performing loan from loan origination staff to specialised workout staff.

|  |  |
|--|--|
|  | Indicate if these practices are formalised in written policies and procedures. |
|--|--|

☒ Yes

☐ No

☒ Encourage investee skills-building on financial projections, scenario planning and stress-testing for management, and on financial expertise and governance for Directors.

|  |  |
|--|--|
|  | Indicate if these practices are formalised in written policies and procedures. |
|--|--|

☒ Yes

☐ No

☐ Other (explain)

☐ None of the above

|                 |                                    |
|-----------------|------------------------------------|
| <b>IFD 17.2</b> | Additional information. [Optional] |
|-----------------|------------------------------------|

During the due diligence process and in the terms sheet preceding the loan agreement the terms and covenants are explicitly mentioned and discussed with the investee.

The investees are monitored on a monthly basis and their portfolio development is proactively watched. In case of signals of issues the investee is asked to elaborate on the situation and we seek how to support the MFI in solving the issues. A possible outcome could be a restructuring to give the MFI time to recover.

## PIIF Principle 4: Responsible investment

|        |           |         |        |
|--------|-----------|---------|--------|
| IFD 18 | Mandatory | Gateway | PIIF 4 |
|--------|-----------|---------|--------|

### Possible action:

*Negotiate terms and conditions that are transparent, fair and reasonable, including fair break-up clauses.*

|                 |   |
|-----------------|---|
| <b>IFD 18.1</b> | Indicate if you use the following tools for social performance reporting: |
|-----------------|---|

### Externally developed tools

During due diligence.

- ☒ Yes
- ☐ No
- ☐ We don't track social performance

For monitoring and reporting purposes.

- ☒ Yes
- ☐ No
- ☐ We don't track social performance

Describe the approaches used and frequency of use.

The social indicators developed by MIX Market, IRIS and the Universal Performance Standards for Social Performance Management are integrated in the Non-Financial Scorecard which is used during due diligence and monitored on annual basis. This information is used to report non-financial performance of the Funds to our investors.

#### In-house tools based on externally developed tools

During due diligence.

- ☒ Yes
- ☐ No
- ☐ We don't track social performance

For monitoring and reporting purposes.

- ☒ Yes
- ☐ No
- ☐ We don't track social performance

Describe the approaches used and frequency of use.

We developed a Non-Financial Scorecard (based on industry standards, and in cooperation with Oikocredit). This tool is used as assessment tool during due diligence, annual monitoring and the information is used for reporting purposes.

#### Tools developed solely in-house

|  |                       |
|--|-----------------------|
|  | During due diligence. |
|--|-----------------------|

- ☒ Yes
- ☐ No
- ☐ We don't track social performance

|  |  |
|--|--|
|  | For monitoring and reporting purposes. |
|--|--|

- ☒ Yes
- ☐ No
- ☐ We don't track social performance

|  |  |
|--|--|
|  | Describe the approaches used and frequency of use. |
|--|--|

The content of the Non-Financial Scorecard is based on externally developed tools, but the methodology is developed in-house.

| IFD 19 | Mandatory | Descriptive | PIIF 4 |
|--------|-----------|-------------|--------|
|--------|-----------|-------------|--------|

|                 |  |
|-----------------|--|
| <b>IFD 19.1</b> | Indicate if you require the retail institutions in which you invest to have an independent financial rating. |
|-----------------|--|

- ☐ Always
- ☐ In a majority of cases
- ☒ In a minority of cases
- ☐ No

|                 |   |
|-----------------|---|
| <b>IFD 19.2</b> | Indicate if you require the retail institutions in which you invest to have an independent social rating. |
|-----------------|---|

- ☐ Always
- ☐ In a majority of cases
- ☒ In a minority of cases
- ☐ No

|                 |  |
|-----------------|--|
| <b>IFD 19.3</b> | Indicate if you require the retail institutions in which you invest to have an independent social audit. |
|-----------------|--|

- ☐ Yes
- ☒ No

| IFD 20 | Mandatory | Core Assessed | PIIF 4 |
|--------|-----------|---------------|--------|
|--------|-----------|---------------|--------|

**Possible action:**

*Assist in developing appropriate references for corporate governance issues.*

**IFD 20.1**

In relation to your due diligence on and monitoring and reporting of corporate governance among investees, indicate if you assess:

**Compensation of the Board of Directors and Executive Directors (i.e. its transparency, the use of benchmarking)****Pre-investment**

- ☒ Yes
- ☐ No
- ☐ Not for all of our investments in inclusive finance

**Post-investment**

- ☒ Yes
- ☐ No
- ☐ Not for all of our investments in inclusive finance

Describe what you look at and, if post-investment, the frequency of assessment. [Optional]

We analyse the fairness of the compensation of the boards and the management compared to other employees in the company and to general standards of fairness. Also the absolute level of compensation is taken into account during the investment selection process and during the monitoring process.

**Composition of the Board (i.e. breadth and depth of experience, effective client representation, diversity)****Pre-investment**

- ☒ Yes
- ☐ No
- ☐ Not for all of our investments in inclusive finance

**Post-investment**

- ☒ Yes
- ☐ No
- ☐ Not for all of our investments in inclusive finance



|  |  |
|--|--|
|  | Describe what you look at and, if post-investment, the frequency of assessment. [Optional] |
|--|--|

Assessed during annual monitoring visits.

**Whether the Board receives social performance management-related information from the management team that is analysed and contributes to Board decision making.**

|  |                |
|--|----------------|
|  | Pre-investment |
|--|----------------|

- ☒ Yes
- ☐ No
- ☐ Not for all of our investments in inclusive finance

|  |                 |
|--|-----------------|
|  | Post-investment |
|--|-----------------|

- ☒ Yes
- ☐ No
- ☐ Not for all of our investments in inclusive finance

|  |  |
|--|--|
|  | Describe what you look at and, if post-investment, the frequency of assessment. [Optional] |
|--|--|

Assessed during annual monitoring visits.

|        |           |             |        |
|--------|-----------|-------------|--------|
| IFD 21 | Voluntary | Descriptive | PIIF 4 |
|--------|-----------|-------------|--------|

**Possible action:**

*Assist in developing appropriate references for corporate governance issues.*

|          |  |
|----------|--|
| IFD 21.1 | Indicate if you provide training or assistance for your investees on corporate governance. |
|----------|--|

- ☒ Yes
- ☐ No

IFD 21.2

Additional information.

This answer differs for equity and debt investments. For the SNS Institutional Microfinance Funds there is no specific budget for training available, but our investment managers assist MFIs on corporate governance issues through ongoing conversations with the management of the investees.

IFD 23

Mandatory

Descriptive

PIIF 4

**Possible action:**

*Assist in developing appropriate references for environmental issues.*

IFD 23.1

Indicate if you have a procedure to integrate the consideration of environmental issues in your investment decision processes.

☒ Yes

☒ For all inclusive finance investments

☐ For a majority of inclusive finance investments

☐ For a minority of inclusive finance investments

IFD 23.2

Describe how your procedure to integrate the consideration of environmental issues in your investment decisions processes affect decisions pre-investment. [Optional]

During the due diligence process the MFI is assessed on compliance with environmental regulation. In addition, the environmental policies of the MFI are assessed. If there is evidence of the MFI breaching environmental regulations, this can impact the investment approval process.

IFD 23.3

Describe how your procedure to integrate the consideration of environmental issues in your investment decisions processes affect decisions post- investment. [Optional]

Compliance with environmental regulation and policies is included in the Non-Financial Scorecard, which will be assessed on an annual basis. If breaches are uncovered this can impact refinancing decisions.

☐ No

|                 |  |
|-----------------|--|
| <b>IFD 23.4</b> | Indicate if you request your investees to comply with an environmental exclusion list. |
|-----------------|--|

- ☒ Yes, for all investees
- ☐ Yes, for a majority of investees
- ☐ Yes, for a minority of investees
- ☐ No

|               |                  |                            |               |
|---------------|------------------|----------------------------|---------------|
| <b>IFD 24</b> | <b>Voluntary</b> | <b>Additional Assessed</b> | <b>PIIF 4</b> |
|---------------|------------------|----------------------------|---------------|

**Possible action:**

*Promote implementation of anti-corruption practices.*

|                 |  |
|-----------------|--|
| <b>IFD 24.1</b> | Indicate if you have anti-corruption policies. |
|-----------------|--|

- ☒ Yes, published
- ☐ Yes, but not published
- ☐ No

|                 |   |
|-----------------|---|
| <b>IFD 24.2</b> | Indicate if you have internal whistle-blowing policies. |
|-----------------|---|

- ☒ Yes, published
- ☐ Yes, but not published
- ☐ No

|                 |  |
|-----------------|--|
| <b>IFD 24.3</b> | Indicate if you review whether your investees have anti-corruption policies as part of your due diligence process. |
|-----------------|--|

- ☒ Yes
- ☐ No

|                 |   |
|-----------------|---|
| <b>IFD 24.4</b> | Indicate if you review whether your investees have internal whistle-blowing policies as part of your due diligence process. |
|-----------------|---|

- ☒ Yes
- ☐ No

|                 |                         |
|-----------------|-------------------------|
| <b>IFD 24.5</b> | Additional information. |
|-----------------|-------------------------|

The loan agreements state the following: The Borrower will at all times institute, maintain and comply with internal procedures and controls satisfactory to the Lender for the purpose of preventing the Borrower from being used for money laundering, the financing of terrorist activity, fraud, or other corrupt or illegal purposes or practices. In the due diligence process, the company's policies, looking for anti-corruption and whistle-blowing policies are reviewed as a standard procedure.

## PIIF Principle 5: Transparency

|        |           |                     |        |
|--------|-----------|---------------------|--------|
| IFD 25 | Voluntary | Additional Assessed | PIIF 5 |
|--------|-----------|---------------------|--------|

**Possible action:**

*Fully disclose policies, criteria and related conditions of products and services to investees and other relevant stakeholders.*

|          |   |
|----------|---|
| IFD 25.1 | Indicate how your mission and investment objectives communicated to stakeholders (e.g. investees, investors). |
|----------|---|

☒ Publicly

|  |               |
|--|---------------|
|  | Provide a URL |
|--|---------------|

<http://www.snsimpactinvesting.com>

☐ Selected stakeholders only

☐ On request only

|          |                         |
|----------|-------------------------|
| IFD 25.2 | Additional information. |
|----------|-------------------------|

We have a website that explains our mission and investment objectives publicly; [www.snsimpactinvesting.com](http://www.snsimpactinvesting.com). In addition, for each Fund we formulate more detailed investment objectives in an Investment Memorandum.

|        |           |               |        |
|--------|-----------|---------------|--------|
| IFD 26 | Mandatory | Core Assessed | PIIF 5 |
|--------|-----------|---------------|--------|

**Possible action:**

*Fully disclose policies, criteria and related conditions of products and services to investees and other relevant stakeholders.*

|          |   |
|----------|---|
| IFD 26.1 | Other than the PRI/PIIF, indicate if you provide your investors and/or the public with information aligned with industry standards. |
|----------|---|

☒ Yes

|          |  |
|----------|--|
| IFD 26.2 | Do you provide information aligned with: |
|----------|--|

☒ The MIV Disclosure Guidelines

☒ Yes, to our investors only

☐ Yes, to the public

☒ The Impact Reporting & Investment Standards (IRIS)

☐ Yes, to our investors only

☒ Yes, to the public

☐ Other, specify

☐ No

The following website highlights the 39 IRIS indicators that are included in our Non-Financial Scorecard: <http://iris.thegiin.org/sns-impact-investing>.

**Possible action:**

*Ensure that investees adequately disclose the pricing, terms and conditions of financial products and services offered, and that the pricing, terms and conditions are understood by clients.*

## IFD 27.1

Indicate if you encourage the retail institutions in which you invest to ensure that the following are transparent and fully explained to their clients (i.e. those seeking financial services from them) in a form they can understand.

## Pricing

☒ Yes

## IFD 27.2

Indicate how you ensure this for pricing and provide examples.

This topic is included in the due diligence (Non-Financial Scorecard) process and the loan agreement also includes a specific clause on transparency: "MFIs should: in order to provide full transparency (a) adopt policies and procedures to disclose to its clients the total cost of (including all fees, commissions, insurance premiums and other costs) and b) report this information to MFTransparency, if requested by the Lenders."

☐ No

## Other terms and conditions

☒ Yes

## IFD 27.3

Indicate how you ensure this for other terms/conditions and provide examples.

This topic is included in the due diligence (Non-Financial Scorecard) process and the loan agreement also includes a specific clause on transparency: "MFIs should: i. in order to provide full transparency (a) adopt policies and procedures to disclose to its clients the total cost of (including all fees, commissions, insurance premiums and other costs) and b) report this information to MFTransparency, if requested by the Lenders."

☐ No

## PIIF Principle 6: Balanced returns

IFD 28

Mandatory

Core Assessed

PIIF 6

### Possible action:

*Strive for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors.*

IFD 28.1

Indicate if the social performance of investees affects your:

Investment decision making

☒ Yes

IFD 28.2

Explain how social performance of investees affects investment decision making.

The social performance of MFIs is assessed in the due diligence process through the Non-Financial Scorecard. This assessment is an integrated part of the approval process. A negative social performance can result in the decision to disapprove an investment proposal.

☐ No

Portfolio management

☒ Yes

IFD 28.3

Explain how social performance of investees affects portfolio management.

All portfolio MFIs are monitored on continuous basis. This monitoring process includes both the financial and the social performance of the MFIs. In addition, the Non-Financial Scorecard is monitored on annual basis. If a negative social performance is uncovered at one of the portfolio MFIs, this MFI will be engaged and requested to take measures to improve its performance. If no improvement is made this will influence the decision to refinance this MFI.

☐ No

IFD 29

Voluntary

Additional Assessed

PIIF 6

### Possible action:

*Strive for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors.*

|          |   |
|----------|---|
| IFD 29.1 | Indicate if your staff have monetary (or other – specify) incentives linked to social performance measures. |
|----------|---|

☒ Yes

☐ No

|          |                         |
|----------|-------------------------|
| IFD 29.2 | Additional information. |
|----------|-------------------------|

The key performance indicators (KPI's), which are used to assess and reward the performance of all team members at SNS Impact Investing are a combination of financial and non-financial criteria.

|        |           |                     |        |
|--------|-----------|---------------------|--------|
| IFD 30 | Voluntary | Additional Assessed | PIIF 6 |
|--------|-----------|---------------------|--------|

**Possible action:**

*Strive for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors.*

|          |   |
|----------|---|
| IFD 30.1 | Indicate if you collect data regarding the social outcomes of your investees' work. |
|----------|---|

☒ Yes

☐ No

|          |                         |
|----------|-------------------------|
| IFD 30.2 | Additional information. |
|----------|-------------------------|

We collect social data from our MFIs through the Non-Financial Scorecard. In addition, if our portfolio MFIs conduct additional research activities regarding the social outcomes of their work we request insight in this data (f.e. extensive PPI dataset by Grameen Koota).

We try to contribute to the development of the impact industry and therefore we contribute to several research projects and publications related to (the impact of) microfinance. For example, we cooperated with Maastricht University to get a better understanding of the interest rates charged by our portfolio MFIs.

|        |           |                     |        |
|--------|-----------|---------------------|--------|
| IFD 31 | Voluntary | Additional Assessed | PIIF 6 |
|--------|-----------|---------------------|--------|

**Possible action:**

*Strive for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors.*

|          |  |
|----------|--|
| IFD 31.1 | Indicate if you incentivise investees to track social performance. |
|----------|--|

☒ Yes

**IFD 31.2**

Explain how you incentivise investees to track social performance.

We encourage MFIs to track social data (based on MIX Market social performance indicators) in order to get to know their clients. We stimulate data collection if the information can be used to improve processes and to develop new products based on clients' needs. MFIs are encouraged to implement appropriate MIS systems that enable the collection of social performance indicators together with financial indicators.

☐ No

**PIIF Principle 7: Standards****IFD 32****Mandatory****Core Assessed****PIIF 7****Possible action:**

*Participate in networks to share tools, information and resources.*

**IFD 32.1**

Select which of the following collaborative initiatives your organisation has supported or participated in, and the role you played.

**The Principles for Investors in Inclusive Finance**

☒ Yes

☐ Basic

☐ Moderate

☒ Advanced

☐ No

**The Smart Campaign**

☒ Yes

☒ Basic

☐ Moderate

☐ Advanced

☐ No

**Social Performance Task Force**

☒ Yes

☐ Basic

☒ Moderate

☐ Advanced

☐ No



|  |  |
|--|--|
|  | Council for Microfinance Equity Funds (CMEF) |
|--|--|

- ☐ Yes  
☒ No

|  |                                       |
|--|---------------------------------------|
|  | European Microfinance Platform (eMFP) |
|--|---------------------------------------|

- ☐ Yes  
☒ No

|  |  |
|--|--|
|  | Global Impact Investors Network (GIIN) |
|--|--|

- ☒ Yes
  - ☐ Basic
  - ☐ Moderate
  - ☒ Advanced
- ☐ No

|  |   |
|--|---|
|  | Other network, association memberships and/or specific collaboration related to the promotion of inclusive finance, specify |
|--|---|

- NPM
- ☒ Yes
  - ☐ Basic
  - ☐ Moderate
  - ☒ Advanced
- ☐ No

|          |  |
|----------|--|
| IFD 32.2 | If you have indicated that your organisation was involved in any of the above, please provide a brief commentary. [Optional] |
|----------|--|

Regarding the PIIF, one of the managing directors of SNS Impact Investing has been a member of the Steering Committee. In addition, we are a member of the GIIN Investors' Council, and one of the SNS II managing directors is also European Liaison of the GIIN. Furthermore, one of the managing directors chaired the committee which was established by the Dutch Platform for Inclusive Finance (NpM) on tax avoidance and was the author of the resulting report.

| IFD 33 | Voluntary | Additional Assessed | PIIF 7 |
|--------|-----------|---------------------|--------|
|--------|-----------|---------------------|--------|

**Possible action:**

*Participate in networks to share tools, information and resources.*

|          |   |
|----------|---|
| IFD 33.1 | Indicate if you encourage your investees to be a member of/endorse the following: |
|----------|---|

|  |                               |
|--|-------------------------------|
|  | Social Performance Task Force |
|--|-------------------------------|

- ☐ Yes  
☒ No

|  |                    |
|--|--------------------|
|  | The Smart Campaign |
|--|--------------------|

- ☒ Yes

|  |   |
|--|---|
|  | Describe how you have supported them in implementation (direct or via a third party) during the reporting year. |
|--|---|

Through our investment contracts and our investment manager DWM.

|  |  |
|--|--|
|  | Indicate what percentage of investees, as a percentage of your direct inclusive finance portfolio, is a member of/has endorsed this. |
|--|--|

- ☐ <20%  
☐ 20-40%  
☐ 41-60%  
☐ 61-80%  
☒ >80%  
☐ We do not track this information  
☐ No

|  |  |
|--|--|
|  | Other network and association memberships and/or specific collaboration related to the promotion of inclusive finance. (specify) |
|--|--|

- ☒ Yes

|  |   |
|--|---|
|  | Describe how you have supported them in implementation (direct or via a third party) during the reporting year. |
|--|---|

Through our investment contracts and our investment manager Developing World Markets (DWM).

|  |  |
|--|--|
|  | Indicate what percentage of investees, as a percentage of your direct inclusive finance portfolio, is a member of/has endorsed this. |
|--|--|

- ☐ <20%  
☐ 20-40%  
☐ 41-60%  
☐ 61-80%  
☐ >80%  
☒ We do not track this information  
☐ No

|        |           |                     |        |
|--------|-----------|---------------------|--------|
| IFD 34 | Voluntary | Additional Assessed | PIIF 7 |
|--------|-----------|---------------------|--------|

**Possible action:**

*Contribute to advancing benchmarking, as an incentive for improvement.*

**IFD 34.1**

Indicate if you encourage your investees to participate in initiatives which contribute to the development of industry benchmarks.

MIX Market

☒ Yes

Describe which actions you have taken and confirm if you encourage reporting against the MIX Social Performance Indicators.

Part of the investment contracts.

☐ No

MFTransparency

☒ Yes

Describe what actions you have taken.

Part of the investment contracts.

☐ No

Universal Standards for Social Performance Management

☒ Yes

Describe what actions you have taken.

Part of the investment contracts.

☐ No

Other, specify

☐ Yes

☐ No