



LEA 02	Disclosures Monetary	Reason for interaction	Principle PRI 1,2,3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input checked="" type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input checked="" type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	
Collaborative engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input checked="" type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input checked="" type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p>	
Service provider engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input checked="" type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in service providers</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input checked="" type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in service providers</p>	

RI TRANSPARENCY REPORT

2013/14

Sparinvest Group

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	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

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

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

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

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

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

Sparinvest Group

Reported Information

Public version

Organisational Overview

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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.

Luxembourg

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

120

OO 02.4 Additional information. [Optional]

We operate in Austria, Denmark, France, Germany, Luxembourg, Netherlands, Sweden

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 03.3 Additional information. [Optional]

The consideration of ESG risk factors is integrated into all our investment processes and considered as essential by all our business units in the entire organisation. Therefore the signatory cover the entire company (all subsidiaries) and not only a part of our organisation.

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		9	684	900	000
Currency	EUR				
Assets in USD		12	756	893	034

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 percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	30.5	0
Fixed income – corporate	18.3	0
Fixed income – government	8.1	0
Fixed income – other	31.6	0
Private debt	0	0
Private equity	0	0
Property	7.5	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	4	0

'Other (2)' specified

Balanced Products

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

Gateway asset class implementation indicators

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

OO 10.3	Additional information. [Optional]
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ESG in the Investment Process

The focus on environmental, social and governance-related (ESG) company risk factors is an important component of our value-based approach, and non-financial risks have always played a key role, albeit informal, in our meticulous way of assessing investment upside. As a UN PRI signatory, we have formalized the analysis and integration of ESG factors in the investment process. The formal integration of ESG research is an important element of the assessment of non-financial risks which, combined with company dialogue, can serve as a driver for the reduction of portfolio tail risk. Specifically, the formal integration of ESG risk factors in the analysis facilitates:

- The information needed for the investment teams to be able to assess the ESG risks and hence the negative tail risk in a specific company.
- Information about the potential for company dialogue, i.e. what will it take for the company to improve on ESG matters and where are the company's 'blind spots' when compared to industry leaders.

To ensure high-quality ESG research, Sparinvest has entered into agreements with internationally-acknowledged research providers, offering up-to-date and relevant information on target companies. In addition, Sparinvest uses a combination of company reports, sector reports and customized research reports as the basis for well-informed investment decisions.

http://www.sparinvest.lu/~media/international/downloads/ebooks/20121119_ebook_responsible_investing_english_final.ashx

OO 11	Mandatory	Gateway	General
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OO 11.1	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.
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- Fixed income – corporate
- Fixed income – government
- Fixed Income – other
- Property
- Other (2)
- None of the above

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

Regarding ESG in the investment Process see question OO10.

Active Ownership

A driving principle behind Sparinvest's approach to responsible investment is active ownership. Therefore, Sparinvest has set up an active ownership program consisting of:

- A company dialogue program; dialogue with portfolio holdings on ESG issues.
- A supra-company dialogue program; certain issues are better addressed at a supra-company level, like regulatory bodies, institutions (e.g. stock exchanges) or even country governments. Sparinvest Supra-Company Dialogue focuses on collaborative engagement with other institutional investors.

Improved environmental, social and governance company practices may ultimately affect investment performance and, consequently, the primary purpose of the Active Ownership Program is to move investment portfolios towards higher ESG standards. Therefore, we generally advocate dialogue rather than exclusion.

Company Dialogue

By engaging in respectful two-way dialogue with management, our aim is to draw attention to the benefits that can be obtained by improving company ESG practices. Proxy voting and class action litigation are considered instruments to facilitate this. Our aim, however, is not to enter into dialogue with each and every company in our portfolios. Instead, we will make an assessment of dialogue matters on a case-by-case basis. The key principle of the dialogue program is to influence standards in selected companies, entering into dialogue on issues where achieving a result is likely. We label this 'dialogue with an impact'. Company dialogue is a key element in our investment process and, based on the premise that we know our holdings better than most, the dialogue program is handled internally by the Sparinvest portfolio management teams.

http://www.sparinvest.lu/~media/international/downloads/ebooks/20121119_ebook_responsible_investing_english_final.ashx

OO 12	Mandatory	Gateway	General
OO 12.1	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

- Property

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.

Sparinvest Group

Reported Information

Public version

Overarching Approach

PRI disclaimer

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Responsible investment policy

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

- Yes
 No

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

- Yes
 No

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

The focus on environmental, social and governance-related (ESG) company risk factors is an important component of our valuebased approach, and non-financial risks have always played a key role, albeit informal, in our meticulous way of assessing investment upside. In deciding to become a UN PRI signatory, however, we have now formalized the analysis and integration of ESG factors in the investment process. Consideration of ESG risk factors is the responsibility of the portfolio management teams and has been fully integrated into the investment process of the Group's actively-managed portfolios. Specifically, the ESG risk consideration has been implemented in the analysis phase of the investment process, designed to strengthen decision-making and securing further downside protection. We see the integration of ESG research as an important element of the assessment of nonfinancial risks which, combined with company dialogue, can serve as a driver for the reduction of portfolio tail risk. Specifically, the integration of ESG risk factors in the analysis facilitates:

- The information needed for the investment teams to be able to assess the ESG risks in a specific company.
- Information about the potential for company dialogue, i.e. what will it take for the company to improve on ESG matters and 'blind spots' when compared to industry leaders. To ensure high-quality ESG research, Sparinvest has entered into an agreement with an internationally acknowledged research provider, offering up-to-date and relevant information on target companies. In addition, Sparinvest uses a combination of company reports, sector reports and customized bespoke research reports as the basis for well-informed investment decisions.

Furthermore, we have a responsible investment book which describes Sparinvest's RI policy and approach in detail - including the various asset class modifications.

http://www.sparinvest.lu/~media/international/downloads/ebooks/20121119_ebook_responsible_investing_english_final.ashx.

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

Yes

OA 02.2 Provide a URL to your responsible investment policy.

URL

http://www.sparinvest.lu/~media/international/downloads/ebooks/20121119_ebook_responsible_investing_english_final.ashx

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
Sparinvest Ethical Investment Policy	http://www.sparinvest.lu/~media/international/downloads/responsible%20investment/20121001_ethical_investment_policy_in_short_eng.ashx
Sparinvest Voting Record	http://www.sparinvest.eu/various/voting%20record.aspx
Sparinvest Responsible Investment Book	http://www.sparinvest.lu/~media/international/downloads/ebooks/20121119_ebook_responsible_investing_english_final.ashx
Sparinvest Proxy Voting Policy	http://www.sparinvest.lu/~media/international/downloads/ebooks/20121119_ebook_responsible_investing_english_final.ashx

No

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

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

Sparinvest Ethical Strategies

In all Sparinvest equity and corporate bond funds ESG factors are incorporated into the investment decision-making process of portfolio managers. In addition to its large range of responsible investment solutions, however, Sparinvest also offers solutions for ethical investors.

Although often used interchangeably, the terms 'Responsible Investment' and 'Ethical Investment' do not have the same meaning. 'Responsible Investment' is about being aware of and addressing ESG risks at the point of investment and then putting ESG factors on the agenda for the companies invested in. It is not about the exclusion of companies from portfolios on 'moral' grounds.

'Ethical Investing' is about the screening - either positive or negative - of the eligible investment universe, based on pre-defined ethical criteria. (Positive screening involves selecting companies eligible for investment on grounds of 'good behaviour', while negative screening entails excluding companies from an investment universe - or deselecting them from an investment shortlist - on grounds of 'bad behaviour').

Sparinvest's ethical investment solutions build on our general conservative and responsible approach to investing, with its focus on ESG risk factors. But with additional ethical screening of portfolios on the basis of norm-based and sector-based exclusion policies or any other criteria specifically requested by clients. In short, the ethical screens are built on two exclusion filters:

- A norm-based filter, screening for violations of global norms: environmental protection, human rights, labour standards and anti corruption.
- A sector-based filter, screening for companies operating within controversial sectors such as: alcohol, tobacco, gambling, pornography and weapons.

In order to ensure a structured analysis process, providing the best possible foundation for well-informed exclusion decisions, Sparinvest has an agreement with Ethix SRI Advisors, an internationally acclaimed provider of services within responsible investment.

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

Yes

OA 04.2

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

Sparinvest acts in the interest of our investors and has internal operational procedures in place to secure that we always act in the best interest of our investors. Sparinvest acknowledges that investors may have different interests depending on whether they are owners of a company or e.g. bond holders in the company. Therefore, the approach adopted to responsible investments - where the responsibility is embedded with the investment teams - allows for the teams to pursue different objectives depending on what is in the best interest of their respective investors. I.e. there is Chinese Walls between the ESG Risk/Engagement impact on the investment processes of Equity and Corporate Bonds respectively. To date this has been a hypothetical issue.

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 05.4	Additional information. [Optional]
----------------	------------------------------------

The fundamental goal of Sparinvests approach to responsible investing is that the ESG related event risks in our investment portfolios must be reduced significantly. Sparinvest commits exactly to take into account longer-term risks (including ESG risks) and sustainability. Sparinvest has taken the consequence of being a signatory, by fully integrating the consideration of ESG risks with the investment professionals in the investment teams. ESG risks and sustainability is a fundamental part of the overall investment process, with the implication that it cannot be separated from other parts of the investment process. Internal research models and IT Systems have been designed to support this, securing that ESG Risk considerations enter the investment decision on fully equal terms as ordinary financial metrics. Sparinvests RI Director and Key Investment Managers continuously monitors that the inclusion of ESG risks in the investment process has the anticipated effect so that the fundamental goal is achieved. Consequently, Sparinvest continuously adjust the how ESG risks is integrated in the decision support systems and the decision making process, to reflect our learning.

Governance and human resources

OA 08	Mandatory	Gateway/Core Assessed	General
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OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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Roles present in your organisation

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

OA 08.2

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

Number

2

We have a RI Director and a ESG Analyst who is dedicated to responsible investment.

The portfolio management teams are responsible for the daily dealing with ESG risks and it is an embedded part of their daily work.

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
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- 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]

Sparinvest has acted as lead investor in the collaborative engagement regarding anticorruption facilitated by UNPRI and Transparency International.

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

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]

Sparinvest has been a member of Eurosif since 2010, and holds a position in the Eurosif Lobbying Subgroup

- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

DANSIF

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]

Sparinvest has been an active member of Dansif since 2010.

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

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
 - Encourage the adoption of UN Global Compact.
 - Contributed to the design of the LuxFLAG ESG Label

No

OA 11.3 Additional information. [Optional]

Sparinvest has been a driving factor in the development of LuxFLAG ESG Label which presumably will be launched in 2014. This initiative will help put even more focus on funds and mandates supporting high ESG standards.

Innovation

OA 18	Voluntary	Descriptive	General
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OA 18.1

Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

- ESG is embedded with portfolio managers
- UNPRI is fully integrated in all asset classes including Corporate Bonds and Sovereigns
- ESG information is fully integrated into the decision supporting tools of the portfolio management teams.

Sparinvest Group

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

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ESG incorporation in actively managed listed equities

Implementation processes

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

LEI 03.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

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

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

100 %

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

Total actively managed listed equities

100%

LEI 03.2

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

The focus on environmental, social and governance-related (ESG) company risk factors is an important component of our value-based approach, and non-financial risks have always played a key role, albeit informal, in our meticulous way of assessing investment upside. Inclusions of ESG risks in the decision making process provides usefull and important information to the portfolio managers. Thus helping us to meet our fiduciary duty in general.

In addition Sparinvest has clients to whom certain values are prevailant. For these clients Sparinvest offers products where the portfolios are screened to accomodate these values.

LEI 03.3	If assets are managed using a combination of ESG incorporation strategies, describe briefly how these are used in combination. [Optional]
-----------------	---

All Sparinvest funds are screened to prevent investments in companies/institutions involved in the production of illegal weapons. All Sparinvest are screened to prevent investments in companies/institutions/states involved in breach of EU Sanctions.

All Sparinvest funds comply with UNPRI in the sense that ESG are incorporated in the investment process.

In addition to the above Sparinvest Ethical funds offers an additional ethical screening of the portfolios on the basis of norm-based and sector based exclusion policies or any other criteria specifically requested by clients.

In short, the ethical screens are built on two exclusion filters:

A norm-based filter, screening for violations of global norms: environmental protection, human rights, labour standards and anti corruption.

A sector-based filter, screening for companies operating within controversial sectors such as: alcohol, tobacco, gambling, pornography and weapons.

(A) Implementation: Screening

LEI 06	Mandatory	Descriptive	PRI 1
---------------	------------------	--------------------	--------------

LEI 06.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.
-----------------	--

Type of screening

Negative/exclusionary screening

Screened by

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

Description

All our funds are screened for Norms, illegal weapons and EU Sanctions. Furthermore we have some Ethical funds which is also screened on sector level (weapons, tobacco, porn, alcohol and gambling).

- 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

Description

See above.

LEI 06.2

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

Screening criteria is establish in collaboration with clients. Criteria are reviewed semi annually and clients are always notified in advance before changes are executed.

Screening:

1. Norm-Based Screening assesses companies' adherence to international norms for human rights, the environment, labor standards and anti-corruption. It adheres to the UN Global Compact Principles.
2. Illegal Weapons Screening assesses companies' involvement in banned weapons such as anti-personnel mines, cluster munitions, biological and chemical weapons.
3. Sector Based Screening assesses companies' involvement in industry sectors and products such as alcohol, tobacco, gambling, pornography or weapons

LEI 06.3	Additional information. [Optional]
-----------------	------------------------------------

Beside the screening provided by Ethix SRI Advisor, we do also have a procedure regarding sanctions.

Sanctions Procedure

The Sparinvest procedure of financial sanctions is based on EU sanctions. The financial sanctions include companies as well as governments/states.

If a company violates any applicable sanctions our service provider will always classify the company conflicted with the EU sanctions.

Regarding sovereigns the EU sanctions list providesth an overview of applicable sanctions on country/state level. In case of overlap between the sanctions list and our investments, the affected bondswill be divested.

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

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

(C) Implementation: Integration of ESG issues

LEI 11	Mandatory	Core Assessed	PRI 1
---------------	------------------	----------------------	--------------

LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
-----------------	---

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

Communication

LEI 18

Mandatory

Core Assessed

PRI 2,6

LEI 18.1

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

- We disclose it publicly

Provide URL

http://www.sparinvest.lu/~media/international/downloads/ebooks/20121119_ebook_responsible_investing_english_final.ashx

Provide URL

<http://www.sparinvest.lu/strategies%20and%20solutions/responsible%20investing.aspx>

LEI 18.2

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

- Yes

LEI 18.3

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

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

LEI
18.4

Indicate how frequently you typically report this information.

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

Sparinvest Group

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Engagement

Overview

LEA 02	Mandatory	Gateway	PRI 1,2,3
--------	-----------	---------	-----------

LEA 02.1 Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.

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

LEA 02.2 Additional information. [Optional]

Engagement and active ownership, directed by fund managers - our fund managers are very closely involved in our active ownership approach, directing voting decisions and entering respectful dialogue with company management. The intention is always to improve ESG performance to add investment value over time

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.

Active funds - Dialogue with an impact:

In our active funds our aim is not to enter into dialogue with each and every company in our portfolios. Instead, we will make an assessment of dialogue matters on a case-by-case basis. The key principle of the dialogue program is to influence standards in selected companies, entering into dialogue on issues where achieving a result is likely. We label this 'dialogue with an impact'. Company dialogue is a key element in our investment process and, based on the premise that we know our holdings better than most, the dialogue program is handled internally by the Sparinvest portfolio management teams.

Passive funds:

In the passive equity funds Sparinvest engages systematically with companies in breach with the UN Global Compact principles, in collaboration with other institutional investors. This dialogue is driven by an external research provider.

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

Dialogue in active funds:

Sparinvest monitors the engagement activities in a database where all actions and progress are recorded. The progress evaluation is done in systematic dialogue team meetings where next steps are discussed and planned. All engagement activities has one single defined success criteria.

Dialogue in passive funds:

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

Sparinvest is involved in two collaborative engagements:

- Anti-Corruption engagement
- Increase ESG Transparency on Stock Exchanges.

These are thematic engagements which have been carefully selected as they represent cardinal issues to be dealt with according to Sparinvests understanding of responsible investment.

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

Monitor and Evaluation:

In cases where Sparinvest is lead investor:

Monitoring and evaluation is done according to LEA 4.3

In other cases - ie. where Sparinvest isn't lead investor - progress is monitored and evaluated via Huddle.

- No

Process for engagements conducted with/on your behalf by service providers			
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LEA 07	Mandatory	Core Assessed	PRI 2,4
---------------	------------------	----------------------	----------------

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

- Yes

LEA 07.2	Indicate what role you play in engagements that your service provider conducts on your behalf.
-----------------	--

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

No

LEA 07.3	Additional information. [Optional]
-----------------	------------------------------------

Generally, in all active equity funds, company dialogue is a key element in our investment process and, based on the premise that we know our holdings better than most, the dialogue program is handled internally by the Sparinvest portfolio management teams. However, in our passive mandates, Sparinvest engages systematically with companies in breach with the UN Global Compact principles, in collaboration with other institutional investors. This dialogue effort is driven by an external service provider.

LEA 08	Mandatory	Core Assessed	PRI 2,6
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LEA 08.1	Indicate whether you monitor and/or discuss the following information provided to you by your service provider
-----------------	--

Please select all that apply

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

General processes for all three groups of engagers			
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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 <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Service provider engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

LEA 10.2	Additional information. [Optional]
-----------------	------------------------------------

As mentioned before we have an engagement database where all engagement activities are tracked.

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
- We disclose it to clients and/or beneficiaries only

LEA 15.3	Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.
-----------------	--

Engagement information disclosed

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

**LEA
15.4**

Indicate how frequently you typically report engagements information

- Disclosed continuously (prior and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- Other, specify

In client reporting and meetings.

- 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

Voting Policy - Actively Managed Portfolios

Sparinvest engages in proxy voting on all shareholder assemblies in company holdings in the actively-managed portfolios in accordance with the policies established by the investment manager and as stated herein, except where inconsistent with applicable laws and regulations or with specific client instructions. Sparinvest recognizes that rights inherent in stock ownership, including the right to vote by proxy, are important instruments in the dialogue with companies and companies management in order to influence said company towards higher awareness on environmental, social and governance issues. The guiding principle in the voting policy of Sparinvest is that it must best serve the long-term interest of the investors. This means that Sparinvest may vote in a way inconsistent with the below stated policy if it will better serve the interest of the beneficial owners of the assets. It

is the responsibility of the Sparinvest equity portfolio managers to decide on a case-by-case basis the vote on shareholder resolutions so that it is consistent with the guiding principle. When proxy voting on portfolio holdings, Sparinvest:

- Supports the principle of one-share, one-vote
- Supports a fair access to forward shareholder resolutions
- Supports the protection of minority shareholders rights
- Supports the principle of independence of Board members
- Supports the principle of dealing with M&A in the interest of creating long-term shareholder value
- Is generally opposed to any kind of 'poison pills'
- Supports the principle that companies should comply with the corporate governance standards applicable in their country of domicile or explain non-compliance
- Supports the principle of companies being transparent

Active Ownership

In the cases where Sparinvest votes against the recommendation of company management and board, the proxy vote cast is accompanied by a letter to the company informing about and explaining Sparinvest's voting decision. Sparinvest uses the service of an internationally-renowned Proxy Voting Service Provider to assist with proxy voting research and the operational matters in proxy voting on the portfolio holdings. The proxy voting is effectuated within an extensive set of guidelines derived from the voting policy.

The Sparinvest voting record is available on our homepage

Voting Policy - Index and Quantitatively Managed Portfolios

Sparinvest engages in proxy voting on all shareholder assemblies in company holdings in the passively and quantitatively managed portfolios subject only to a minimum required investment in the holding in order to keep the relative cost from proxy voting at an acceptable level in the best interest of the beneficial owners of the assets.

The portfolio management team proxy votes in accordance with the general policy which considers market-specific recommended best practices, transparency, and disclosure when addressing issues such as board structure, director accountability, corporate governance standards, executive compensation, shareholder rights, corporate transactions, and social/environmental issues. The policy is established by Sparinvest's Proxy Voting Agents' Global Benchmark Policy Guidelines. In the case of passive and quantitative funds, the management process is focused on portfolio and index characteristics as opposed to the individual portfolio holdings, and as a consequence the proxy voting policy equally focuses on general trends in line with market best practices and local principles of Corporate Governance.

http://www.sparinvest.lu/~media/international/downloads/ebooks/20121119_ebook_responsible_investing_english_final.ashx

Process

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

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

Approach

- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

Based primarily on

- the service provider voting policy signed off by us
 - our own voting policy
 - our clients requests or policy
 - other, explain
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) which make voting decisions on our behalf.

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

LEA 21.1 Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.

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

LEA 21.2 Additional information. [Optional]

In cases where Sparinvest vote against the recommendation of company management and board, the proxy vote cast is accompanied by a letter to the company informing about and explaining Sparinvest's voting decision.

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%)

%

91

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

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

Country specific requirements of Power of Attorneys prevented successful proxy in these markets.




We do not track or collect this information

LEA 23	Voluntary	Descriptive	PRI 2
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LEA 23.1 Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.

Yes, we track this information

LEA 23.2 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	 91
Against (opposing) management proposals	 7
Abstentions	 2

100%

LEA 23.3 For the reporting year, describe your approach towards voting on shareholder resolutions.

We don't have a specific approach toward voting on shareholder resolution. If the resolutions are in favor of our voting policy we vote FOR.

For more information see

http://www.sparinvest.eu/-/media/international/downloads/ebooks/20121119_ebook_responsible_investing_english_final.ashx

No, we do not track this information

LEA 23.4 Additional information.

All voting instructions are issued by ourselves on our active managed equities. ISS Governance provide us with their research on the AGM agenda, but the instructions are made according to our own voting policy and the responsible portfolio manager.

Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6
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**LEA
26.1**

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

- We disclose it publicly

provide URL

<http://www.sparinvest.eu/various/voting%20record.aspx>

**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

Sparinvest Group

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.

ESG incorporation in actively managed fixed income

Fixed Income - Corporate

Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
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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 style="text-align: center;">100%</div>
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- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Total actively managed fixed income - corporate

100%

FI 04.2

Describe your primary reasons for choosing a particular incorporation strategy.

The focus on environmental, social and governance-related (ESG) company risk factors is an important component of our value-based approach, and non-financial risks have always played a key role, albeit informal, in our meticulous way of assessing investment upside. Inclusions of ESG risks in the decision making process provides usefull and important information to the portfolio managers. Thus helping us to meet our fiduciary duty in general.

In addition Sparinvest has clients to whom certain values are prevailant. For these clients Sparinvest offers products where the portfolios are screened to accomodate these values.

FI 04.3

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

All Sparinvest funds are screened to prevent investments in companies/institutions involved in the production of illegal weapons. All Sparinvest are screened to prevent investments in companies/institutions/states involved in breach of EU Sanctions.

All Sparinvest funds comply with UNPRI in the sence that ESG are incorporated in the investment process.

In addition to the above Sparinvest Ethical funds offers an additional ethical screening of the portfolios on the basis of norm-based and sector based exclusion policies or any other criteria specifically requested by clients.

In short, the ethical screens are built on two exclusion filters:

A norm-based filter, screening for violations of global norms: environmental protection, human rights, labour standards and anti corruption.

A sector-based filter, screening for companies operating within controversial sectors such as: alcohol, tobacco, gambling, pornography and weapons.

(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

All our funds are screened for Norms, illegal weapons and EU Sanctions. Furthermore we have some Ethical funds which is also screened on sector level (weapons, tobacco, porn, alcohol and gambling).

- 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

Description

See above.

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.
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Screening criteria is establish in collaboration with clients. Criteria are reviewed semi annually and clients are always notified in advance before changes are executed.

Screening:

Norm-Based Screening assesses companies' adherence to international norms for human rights, the environment, labor standards and anti-corruption. It adheres to the UN Global Compact Principles.

Illegal Weapons Screening assesses companies' involvement in banned weapons such as anti-personnel mines, cluster munitions, biological and chemical weapons.

Sector Based Screening assesses companies' involvement in industry sectors and products such as alcohol, tobacco, gambling, pornography or weapons

FI 06.3	Additional information. [Optional]
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Beside the screening provided by Ethix SRI Advisor, we do also have a procedure regarding sanctions.

Sanctions Procedure

The Sparinvest procedure of financial sanctions is based on EU sanctions. The financial sanctions include companies as well as governments/states.

If a company violates any applicable sanctions our service provider will always classify the company conflicted with the EU sanctions.

Regarding sovereigns the EU sanctions list providesth an overview of applicable sanctions on country/state level. In case of overlap between the sanctions list and our investments, the affected bondswill be divested.

FI 07	Mandatory	Core Assessed	PRI 1
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FI 07.1 Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.

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

(C) Implementation: Integration of ESG factors

FI 11	Mandatory	Core Assessed	PRI 1
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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 <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

Fixed income - Government

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

Yes

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

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

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

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

ESG and Sovereigns

The formal consideration of sovereign ESG risk factors is integrated in the investment process of the Sparinvest funds that invest in sovereigns, using World Governance Indicators as input. More than 200 countries are analysed annually on key metrics, focusing on government/regulatory governance and human rights in particular. Specifically, countries are ranked according to:

- Voice and accountability. This metric captures perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as enjoy freedom of expression, freedom of association, and a free media.
- Political stability and absence of violence. This metric measures the perception of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including domestic violence and terrorism.
- Government effectiveness. This metric captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.
- Regulatory quality. This metric captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.
- Rule of law. This metric captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.
- Control of corruption. This metric captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.

Sparinvest operates a proprietary risk regression model where the factors listed above are included alongside other relevant risk measures when evaluating the credit spread. Consequently, World Governance Indicators are systematically included in the investment process and decision. Where serious ESG risks are identified, Sparinvest's Sovereign Bonds Investment Team prefers to look for alternative bond issues. Accordingly, engagement and intervention with States/Governments is done in collaboration with other institutional investors through e.g. the Clearinghouse, a UNPRI initiative to support co-operation between institutional investors in the effort to increase awareness on ESG issues and improve the standards in dealing with ESG risks. Other forums for engaging with States/Governments include Eurosif - where Sparinvest is a member of the Lobbying Advisory Group.

No

Communication

FI 18

Mandatory

Core Assessed

PRI 2,6

FI 18.1

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

- We disclose it publicly

Provide URL

http://www.sparinvest.lu/~media/international/downloads/ebooks/20121119_ebook_responsible_investing_english_final.ashx

Provide URL

<http://www.sparinvest.lu/strategies%20and%20solutions/responsible%20investing.aspx>

FI 18.2

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

- Yes

FI 18.3

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

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

FI 18.4

Indicate how frequently you typically report this information.

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

Sparinvest Group

Reported Information

Public version

Direct - Property

PRI disclaimer

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Overview

PR 05

Mandatory

Core Assessed

PRI 1-6

PR 05.1

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

Yes

PR 05.2

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

http://www.sparinvest.lu/~media/international/downloads/ebooks/20121119_ebook_responsible_investing_english_final.ashx

No

ESG and Property

Property investments in the Sparinvest Group are the responsibility of the daughter company, Sparinvest Property Investors. Generally Sparinvest Property Investors is committed to implementing responsible principles in the investment and portfolio management process while upholding our fiduciary duty to our investors. Sparinvest

Property Investors manages indirect real estate investments. Indirect real estate investment has fundamental attributes that affect the ability to include ESG factors in the investment process. Specifically:

Managing funds-of-funds involves no direct control of the ultimate asset invested in. Investment in a real estate fund is typically entered into for a defined period of time. Subject to the above limitations, the fund screening and selection process consists of an asset and property manager quality assessment where Sparinvest Property

Investors' policy regarding how to deal with ESG risks in the property portfolio is fully integrated. Consequently, since 2005 Sparinvest Property Investors has systematically required the fund investment managers under due diligence to state:

- That the investment manager is aware of the UN Global Compact Principles
- That there have been no deliberate and repeated violations of the principles of UN Global Compact in the property management/development.
- That the investment manager has not been involved in any critical violation of national laws with no attempt to remedy the violation.
- That the investment manager will not invest in properties which are principally used for manufacturing, trading, storing or other kinds of servicing of weapons violating the international arms treaties.

The statements are mandatory for Sparinvest Property Investors to consider investment in a fund. In addition, Sparinvest Property Investors exercise active ownership, giving priority to securing impact and influence from the effort:

- Sparinvest Property Investors always seeks board representation in the funds invested in, or alternatively seeks alliances with other investors with board representation.
- Sparinvest Property Investors has identified governance issues as a key-focus area and in particular guarding the limited partners' rights.
- Sparinvest Property Investors actively monitors the portfolio and annually requests the fund managers to report any perceived violations of international norms as defined by UN Global Compact.

Fundraising of property funds

PR 06

Mandatory

Core Assessed

PRI
1,4,6

PR 06.1

Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

 Yes

PR 06.2

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

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

ESG and Property

Property investments in the Sparinvest Group are the responsibility of the daughter company, Sparinvest Property Investors. Generally Sparinvest Property Investors is committed to implementing responsible principles in the investment and portfolio management process while upholding our fiduciary duty to our investors. Sparinvest Property Investors manages indirect real estate investments. Indirect real estate investment has fundamental attributes that affect the ability to include ESG factors in the investment process. Specifically:

- Managing funds-of-funds involves no direct control of the ultimate asset invested in.
- Investment in a real estate fund is typically entered into for a defined period of time.

Subject to the above limitations, the fund screening and selection process consists of an asset and property manager quality assessment where Sparinvest Property Investors' policy regarding how to deal with ESG risks in the property portfolio ESG in the Investment Process is fully integrated. Consequently, since 2005 Sparinvest Property Investors has systematically required the fund investment managers under due diligence to state:

- That the investment manager is aware of the UN Global Compact Principles
- That there have been no deliberate and repeated violations of the principles of UN Global Compact in the property management/development.
- That the investment manager has not been involved in any critical violation of national laws with no attempt to remedy the violation.
- That the investment manager will not invest in properties which are principally used for manufacturing, trading, storing or other kinds of servicing of weapons violating the international arms treaties.

The statements are mandatory for Sparinvest Property Investors to consider investment in a fund. In addition, Sparinvest Property Investors exercise active ownership, giving priority to securing impact and influence from the effort:

- Sparinvest Property Investors always seeks board representation in the funds invested in, or alternatively seeks alliances with other investors with board representation.
- Sparinvest Property Investors has identified governance issues as a key-focus area and in particular guarding the limited partners' rights.
- Sparinvest Property Investors actively monitors the portfolio and annually requests the fund managers to report any perceived violations of international norms as defined by UN Global Compact.
- Sparinvest Property Investors seeks the highest risk-adjusted return in line with its investment strategy with due consideration to environmental sustainability. The movement toward sustainable, or 'green', building practices is a structural change in the commercial real estate market and Sparinvest Property Investors advocates sustainable building practices throughout the funds invested in where it is economically efficient. E.g. by encouraging fund managers/property managers to work systematically towards energy certifying the properties in the portfolios (an example is the LEED Certification in the US).

Sparinvest Property Investors actively enters into alliances with co-investors on securing common policies on ESG risks in the property portfolios.

<http://www.sparinvest.lu/strategies%20and%20solutions/responsible%20investing.aspx>

No

Pre-investment (selection)

PR 08

Mandatory

Gateway

PRI 1

PR 08.1

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

Yes

PR 08.2

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

Generally Sparinvest Property Investors is committed to implementing responsible principles in the investment and portfolio management process while upholding our fiduciary duty to our investors. Sparinvest Property Investors manages indirect real estate investments. Indirect real estate investment has fundamental attributes that affect the ability to include ESG factors in the investment process. Specifically:

Managing funds-of-funds involves no direct control of the ultimate asset invested in. Investment in a real estate fund is typically entered into for a defined period of time.

Subject to the above limitations, the fund screening and selection process consists of an asset and property manager quality assessment where Sparinvest Property Investors' policy regarding how to deal with ESG risks in the property portfolio ESG in the Investment Process is fully integrated.

No

PR 10

Mandatory

Core Assessed

PRI 1,3

PR 10.1

Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process and list up to three examples per issue.

ESG issues

Environmental

List up to three typical examples of environmental issues

Investment in UKPIF fund meets several environmental criteria including energy, waste and water usage.

Investment in Goodman European Logistics Fund meet several environmental criteria and has participated in the Green Real Estate Sustainability Benchmark since launch.

Social

List up to three typical examples of social issues

Investment in UKPIF fund meets several social criteria including regular meetings with representatives and general procedures for tenant engagement.

Governance

List up to three typical examples of governance issues

Sparinvest Property Investors exercise active ownership through board representation, by putting focus on guarding the limited partners' rights and by monitoring funds compliance with UNGC.

PR 10.2 Additional information. [Optional]

ESG and Property

Property investments in the Sparinvest Group are the responsibility of the daughter company, Sparinvest Property Investors. Generally Sparinvest Property Investors is committed to implementing responsible principles in the investment and portfolio management process while upholding our fiduciary duty to our investors. Sparinvest Property Investors manages indirect real estate investments. Indirect real estate investment has fundamental attributes that affect the ability to include ESG factors in the investment process. Specifically:

Managing funds-of-funds involves no direct control of the ultimate asset invested in. Investment in a real estate fund is typically entered into for a defined period of time.

Subject to the above limitations, the fund screening and selection process consists of an asset and property manager quality assessment where Sparinvest Property Investors' policy regarding how to deal with ESG risks in the property portfolio ESG in the Investment Process is fully integrated. Consequently, since 2005 Sparinvest Property Investors has systematically required the fund investment managers under due diligence to state:

- That the investment manager is aware of the UN Global Compact Principles
- That there have been no deliberate and repeated violations of the principles of UN Global Compact in the property management/development.
- That the investment manager has not been involved in any critical violation of national laws with no attempt to remedy the violation.
- That the investment manager will not invest in properties which are principally used for manufacturing, trading, storing or other kinds of servicing of weapons violating the international arms treaties.

The statements are mandatory for Sparinvest Property Investors to consider investment in a fund.

Post-investment (monitoring and active ownership)

Overview

PR 14

Mandatory

Gateway

PRI 2

PR 14.1

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

Yes

PR 14.2

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

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

ESG and Property

Property investments in the Sparinvest Group are the responsibility of the daughter company, Sparinvest Property Investors. Generally Sparinvest Property Investors is committed to implementing responsible principles in the investment and portfolio management process while upholding our fiduciary duty to our investors. Sparinvest Property Investors manages indirect real estate investments. Indirect real estate investment has fundamental attributes that affect the ability to include ESG factors in the investment process. Specifically:

- Managing funds-of-funds involves no direct control of the ultimate asset invested in.
- Investment in a real estate fund is typically entered into for a defined period of time.

Subject to the above limitations, the fund screening and selection process consists of an asset and property manager quality assessment where Sparinvest Property Investors' policy regarding how to deal with ESG risks in the property portfolio ESG in the Investment Process is fully integrated. Consequently, since 2005 Sparinvest Property Investors has systematically required the fund investment managers under due diligence to state:

- That the investment manager is aware of the UN Global Compact Principles
- That there have been no deliberate and repeated violations of the principles of UN Global Compact in the property management/development.
- That the investment manager has not been involved in any critical violation of national laws with no attempt to remedy the violation.
- That the investment manager will not invest in properties which are principally used for manufacturing, trading, storing or other kinds of servicing of weapons violating the international arms treaties.

The statements are mandatory for Sparinvest Property Investors to consider investment in a fund. In addition, Sparinvest Property Investors exercise active ownership, giving priority to securing impact and influence from the effort:

- Sparinvest Property Investors always seeks board representation in the funds invested in, or alternatively seeks alliances with other investors with board representation.
- Sparinvest Property Investors has identified governance issues as a key-focus area and in particular guarding the limited partners' rights.
- Sparinvest Property Investors actively monitors the portfolio and annually requests the fund managers to report any perceived violations of international norms as defined by UN Global Compact.
- Sparinvest Property Investors seeks the highest risk-adjusted return in line with its investment strategy with due consideration to environmental sustainability. The movement toward sustainable, or 'green', building practices is a structural change in the commercial real estate market and Sparinvest Property Investors advocates sustainable building practices throughout the funds invested in where it is economically efficient. E.g. by encouraging fund managers/property managers to work systematically towards energy certifying the properties in the portfolios (an example is the LEED Certification in the US).

Sparinvest Property Investors actively enters into alliances with co-investors on securing common policies on ESG risks in the property portfolios.

No

Property monitoring and management

PR 15	Mandatory	Core Assessed	PRI 2,3
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PR 15.1

Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.

- >90% of property assets
- 51-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

PR 15.2

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

ESG issues

- Environmental
- Social
- Governance
- We do not set and/or monitor against targets

Communication

PR 23	Mandatory	Core Assessed	PRI 6
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PR 23.1

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

- Disclose publicly
- Disclose to clients/beneficiaries only

PR 23.2

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

- Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- Other property reporting standards, specify
- No property specific reporting standards are used

PR 23.4

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

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

PR 23.5

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

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

PR 23.6

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

Part of the AGM agenda.

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