

Profundo works for **pension funds and other institutional investors** that have the ambition to become more responsible and sustainable investors. With more than 15 years of experience in analysing responsible investment issues, Profundo differentiates itself from other service providers through its in-depth knowledge of the concerns of civil society organisations and its customized approach that tailors to the clients' specific requirements.

We offer the following services to institutional investors:

- Responsible Investment (RI) policy evaluation and advice
- Development and evaluation of RI strategies
- Sustainability risk assessment and portfolio footprint
- Impact investing advice
- Training and workshops



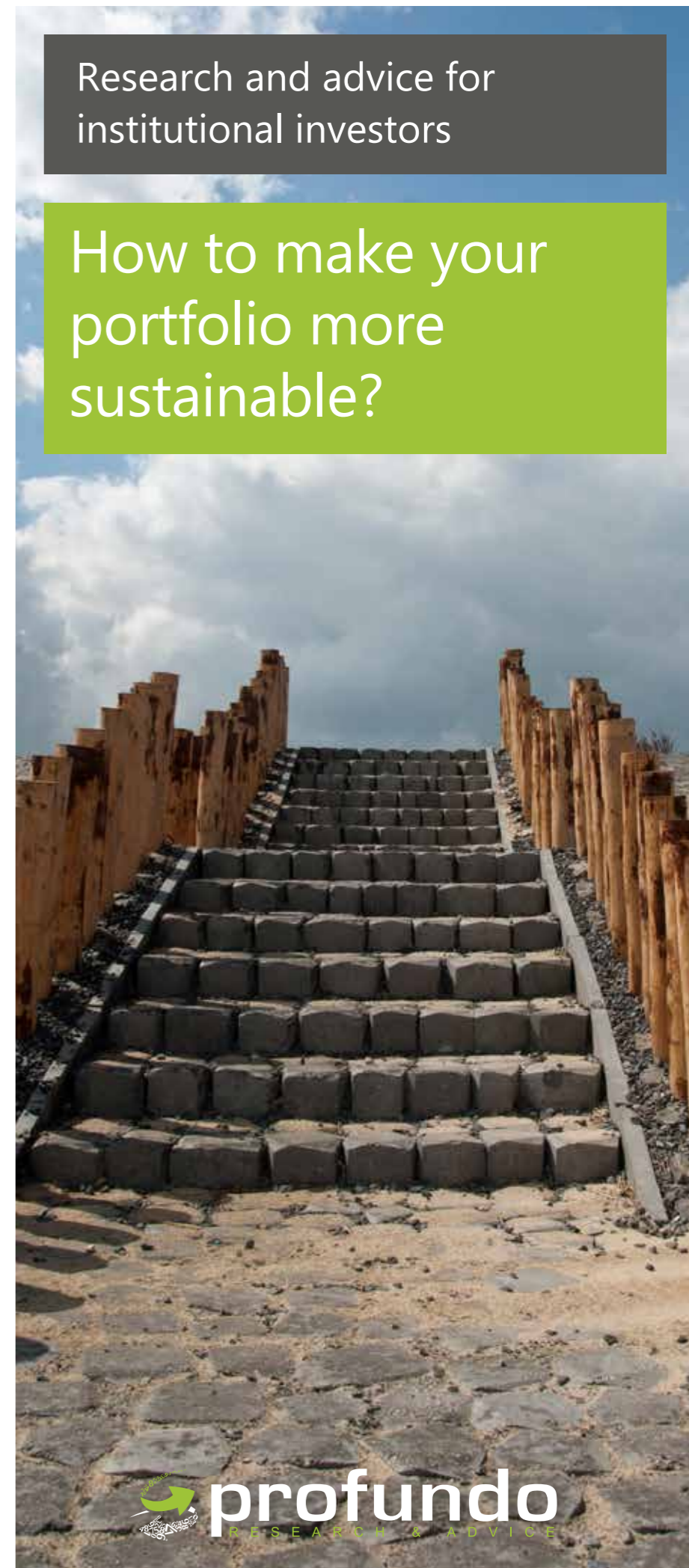
- Financial sector**
 - Asset managers
 - Banks
 - Export Credit Agencies
 - Impact investing
 - Insurance companies
 - Multilateral banks
 - Pension funds
 - Private equity
 - Supervision and regulation
- Government policies**
 - Climate change
 - Commodity production and extraction
 - Commodity trade and circularity
 - Financial regulation
 - Spatial planning and transport
 - Tax and subsidies
- Commodity chains**
 - Agriculture
 - Energy
 - Fishery
 - Forestry
 - Livestock
 - Mining
- Trade and investments**
 - Export Credits
 - Foreign Direct Investment (FDI)
 - International supply chains
 - Official Development Assistance (ODA)
- Corporate Social Responsibility**
 - Animal welfare
 - Climate change
 - CSR policy and practice
 - Fair trade
 - Genetic modification
 - Health and pharmaceuticals
 - Human rights
 - Landgrabbing
 - Natural capital
 - Recycling and circularity
 - Taxation
 - Undemocratic regimes
 - Weapons



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Research and advice for institutional investors

How to make your portfolio more sustainable?



Our services

Profundo aims to make a practical contribution to sustainability and social justice through profound research and advice. Quality comes first, with a focus on the needs of our clients.

With more than 15 years of experience in a broad range of topics relevant for investors, Profundo is the ideal partner to evaluate and develop your policy and strategies for responsible investment. Profundo is well positioned to advise investors, based on its objective research experience and its strong network of (inter)national environmental, social and development experts. For years, Profundo has been assessing the policies and investments of financial institutions against Environmental, Social and Governance (ESG) criteria, based on international standards, conventions and guidelines, on many sustainability issues such as climate change, human rights, biodiversity and corruption.

Profundo has contributed to the landmark documentary on pension fund investments in controversial weapons companies (Zembla, 2007: The Clusterbomb Feeling), which accelerated the Dutch debate on ESG integration amongst pension funds. Profundo helped the Dutch Association of Investors for Sustainable Development (VBDO) to develop its Benchmarks on Pension Funds and Insurance Companies. Profundo also helped international civil society organisations to build and update the methodology of the Fair Finance Guides which are now operational in nine countries across the globe.

Working with pension funds, Profundo has developed strong expertise and a practical understanding of the opportunities for responsible investment and of the knowledge and resources required. In collaboration with partners, Profundo has set up Chain Reaction Research, which uses financial modelling techniques to integrate profound analysis of sustainability risks in equity analyst reports.

Responsible investment policy evaluation and advice

Responsible Investment (RI) starts with the formulation and definition of an adequate policy in which the different ESG criteria and their underlying principles are clear and well established. Profundo offers its services for formulating a clear and consistent RI policy but also for evaluating and revising existing policies. At all times we will strive to create a policy that takes into account internationally agreed ESG standards, the specific principles embedded in the client's mission and the client's need to protect its reputation. In this process, we can also map the views of different stakeholders of the investor, through interviews, a strategy meeting or a stakeholder dialogue.

Profundo offers the following services:

- Evaluating responsible investment policies

- (Re)writing responsible investment policies
- Organising strategy meetings
- Organising a stakeholder dialogue

Development and evaluation of RI strategies

Once the RI policy has been written, an investor can opt for different RI strategies, such as:

- ESG-related voting and engagement;
- exclusion of specific investments from the investable universe (companies, sectors or countries);
- deliberate selection of leading or best-performing investments; and
- a systematic approach to inclusion of ESG risks and opportunities into traditional financial analysis (ESG-integration).

How, when and under which conditions these strategies can be used, needs to be considered carefully as they can have impacts on both the financial performance and the reputation of the investor. Profundo can advise and support investors with these considerations, resulting in a balanced RI strategy which optimizes both aspects.

As a next step, Profundo can help investors with implementing an engagement strategy, including interactions with the company management and reaching out to other investors to collaborate. Also,

we can identify and evaluate external service providers, such as asset managers and rating agencies, to ensure their services and investment choices align with the client's RI policies.

Profundo offers the following services:

- Advice on various RI strategies
- Implementation of engagement activities
- Identification and evaluation of external service providers

Sustainability risk assessment and portfolio footprint

A common motivation for integrating ESG criteria into the investment process is to actively manage key factors that are believed to be important drivers of risk and returns. By reviewing your existing portfolio against your RI policy, Profundo can provide you with another level of due diligence, to be sure that your policies and practices are aligned. Taking this portfolio screening one step further, Profundo can develop an assessment of the carbon, water, human rights and other footprints of your portfolio, which can be used as management tools.

Profundo also offers sustainability risk assessments of individual companies and sectors, to facilitate the selection of better-managed companies that are able to mitigate risks and exploit

opportunities stemming from key environmental and social issues. In the Chain Reaction Research partnership, Profundo has gained ample experience in integrating the analysis of a company's sustainability risks in financial models, demonstrating which value is at risk because of weak sustainability management.

Profundo offers the following services:

- Analysis of sustainability risks of companies and sectors
- Integration of sustainability analysis in financial modelling
- Portfolio screening against RI policies
- Carbon, water and human rights footprints of portfolios

Impact investing advice

Profundo offers customized impact investing services to guide and support investors as they strive to integrate sustainability impact considerations across their portfolios. The specific impacts aimed for can be related to food, health, renewable energy, social justice and other themes. We work with clients to understand their investment approach, analyse impact parameters, and determine impact themes. We examine a client's portfolio approach and how impact is integrated into, or complements, a balanced portfolio, and then manage the search process for investment opportunities and

managers according to the investor's impact criteria, strategy and objective.

Profundo offers the following services:

- Advice on impact investment strategies
- Identifying impact investment opportunities and managers
- Due diligence of investment opportunities and managers
- Evaluation and reporting on the impacts realised

Trainings and workshops

Communication with stakeholders is essential in fulfilling an institutional investor's ambitions to be transparent and accountable. A good understanding of the responsible investment policy helps employees to apply it in their daily work. For the employees of investors, as well as for external managers and advisors, and for participants and other stakeholders, we organize workshops or training sessions on all issues that have been included in the responsible investment policy. We make clear which problems are addressed, which ESG criteria have been adopted, and how they can be applied in practice. Profundo also supports its clients in the organization of a seminar or conference, by developing the program, writing the background paper, selecting relevant speakers and managing the seminar itself.