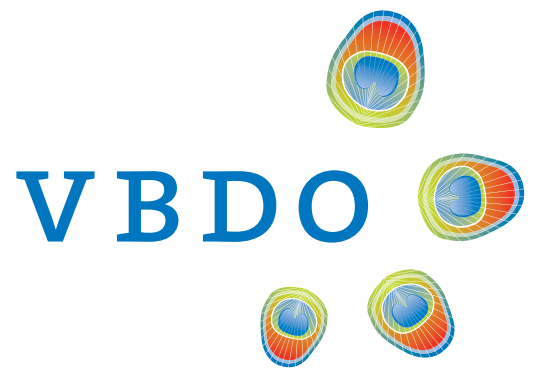




VBDO

Asset Managers - Part of the Problem or Part of the Solution

**An Inquiry into SRI Services Offered by
Asset Managers to Pension Funds**



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1./ Introduction

In December 2008, the VBDO (Association of Investors for Sustainable Development) published the second benchmark report on responsible investments with pension funds and pension insurers in cooperation with research consultancy Profundo. This report showed the pivotal role asset managers play in the implementation and execution of responsible investments for pension funds. In order to provide pension funds with tools to continue their progress on responsible investment, the VBDO and Profundo decided to do an explorative research to find out what asset managers do with respect to responsible investment and what services they provide to pension funds. This report presents the research results.

First the report gives some background information on pension funds, asset managers, the developments of fiduciary management and socially responsible investment. Then it explains the research methodology and the results. The final part discusses the conclusions and the different services asset managers can offer pension funds looking for ways to strengthen their responsible investment policy and activity.

The appendix provides an overview of all asset managers included in this research and the services they provide pension funds. We would like to acknowledge the valuable inputs by asset managers. This research has been made possible with the financial support of OxfamNovib. The responsibility for its contents, conclusions and recommendations, however, lie with the VBDO.



2. / Background

2.1. Pension funds and asset managers

In the Netherlands there are three types of pension funds: industry-wide pension funds, company pension funds and pension funds for independent professionals (such as doctors). All types of pension funds are independent foundations. They are governed by a board of trustees, composed of representatives of employers and employees. The governance of a pension fund is not a fulltime job. Employees are usually represented by a trade union while a company or an industry organization represents employers.

Most pension funds do not have a lot of staff, just a small group of people who prepare policies and oversee implementation by external parties. The main activities of the pension fund - the pension scheme administration and investment of pension premiums - are outsourced. This outsourcing is required by the new Pensions Act, which came into force in 2007 and translated European legislation into Dutch legislation. To avoid unfair competition, pension funds may no longer administer their own pension scheme, and instead have to contract external parties. For the most part, insurance companies and a few independent companies are active in the market of pension administration.

Besides pension administration, Dutch pension funds now also need to outsource their asset management. For this outsourcing different models exist. All assets can be outsourced to one asset manager, which manages investments itself in all asset classes. Another model is fiduciary management, in which asset management is outsourced to a party that is responsible for the investment performance while in turn outsourcing asset management to other parties specialized in certain asset classes (equities, bonds, real estate, etc.). These activities are sometimes further restricted to a certain geographical region. APG Groep and PGGM implement an intermediate form: they invest the bulk of the assets of the pension funds themselves, but also act as a fiduciary manager of mandates outsourced to asset managers in specific asset classes. Fiduciary managers or companies affiliated with them are often the same companies to whom the pension administration is outsourced.

Fiduciary management is something of a Dutch phenomenon, although there is some interest in Scandinavia, the United Kingdom, Germany and Eastern Europe. In the Netherlands, there is stiff competition, with at least 20 institutions currently offering fiduciary management.¹

2.2. Developments in fiduciary management

Fiduciary management came into being as an approach that offers a better model for investment decision-making. For pension plan trustees it is difficult to understand the entire investment process. Trustees typically have the task of juggling numerous roles: they have the task of instructing portfolio managers, consultants and lawyers, to name but a few. As a result they rely more and more on the advice of investment consultants. According to Anton Nunen, author of the book *Fiduciary Management: Blueprint for Pension Fund Excellence*, pension plan managers first introduced the concept of fiduciary management by limiting the number of players who were responsible for managing their funds. This practice soon spread beyond just pension funds to attract the interest of those who were responsible for all types of institutional portfolios. Around 2005 most of the Dutch asset managers made the switch to the fiduciary concept.

Fiduciary management incorporated three elements:

- policy advice to the management of the pension scheme;
- implementation of the investment policy; and
- control over the fiduciary process.

"Fiduciary" in this sense means "trust" and "partners in business", but does not involve the outsourcing of respon-

sibility that tends to happen in the United States. The aim is for the management of the pension scheme to have an integrated policy approach, to improve professionalism and to boost efficiency without having to deal with the day-to-day administration of the fund. It is designed to give the trustees more time to focus on a higher policy level. According to Nunen “fiduciary management is a key mechanism for ensuring that a pension fund is able to have timely responses to changing market conditions while continuing to be focused on enduring investment principles”.

Others see it as a form of outsourcing - a single provider is appointed to delegate and implement any investment decisions reached by a scheme's trustees. It is the fiduciary's role to establish and maintain relationships with external advisers, leaving trustees to perform their own duties. This does not mean that trustees neglect their overall fiduciary or legal responsibilities, instead they can share some of the fiduciary responsibility and can delegate the day-to-day management of pension scheme assets to one provider who is accountable to the trustees for its actions. Thus it makes sense for trustees hard-pressed to cope with a dynamic and complex investment world in the limited time available to them to have a fiduciary manager as a strategic partner.

When fiduciary management first appeared, all providers were offering one model with everything outsourced to one fiduciary manager. Now, however, there is a far greater range of services being offered. Some offer a bundled package while others offer separate elements. Some parties offer only multi-management, which is the management of a number of different asset managers. Others extend a broad range of services including high-level strategy, balance sheet management and risk management. Some asset managers also offer services such as pensions administration or advice to the board. These companies use the term ‘full service company’.

Despite the advantages, trustees must be certain what they can and cannot delegate before appointing a fiduciary manager. Clients report mixed experiences with fiduciary management. Some clients are enthusiastic, but some are disappointed that their providers do not live up to expectations.²

Because outsourcing all of a fund's investment decisions to a third party is a very big step, pension funds are likely to want a benchmark against which the conduct of such a party can be judged. For this reason the Dutch Fund and Asset Management Association (DUFAS), in association with the Dutch association of company pension funds (OPF), introduced the DUFAS principles for fiduciary management in December of 2008. The aim is to bring clarity to a confusing sector where asset managers, balanced mandate managers and multi-managers are all able to operate under the banner of fiduciary management. The DUFAS principles are set up as a checklist of best practice in fiduciary management for pension funds. The document is broadly supported in the Dutch pensions industry and there has been interest from abroad.²

2.3. Socially Responsible Investment (SRI)

Since the Rio Earth Summit in 1992, initiatives have been introduced to encourage financial institutions to apply social and environmental considerations to investment decisions. Socially responsible investment (SRI) has grown rapidly in the following ten years, leading to an increase in the number of ethical products available. The financial industry, perhaps a little later than other corporate sectors, has increasingly come to acknowledge the importance of such issues and signaled its intent to improve their management in core business processes.

Several institutions took an early lead in implementing systems to manage environmental risks in their lending businesses, while other companies started to engage in initiatives aimed at improving accountability and governance or improving the integration of environmental and social aspects in project financing.

However, asset managers still managed substantial funds that contain companies not seen as socially responsible. The challenge remained for asset managers to ensure these values were applied to all investment decisions. SRI was not at all mainstream around the turn of the century, and critics were afraid that this would stay another niche market product.⁴

One reason was that many people in the pensions sector believed that the so-called fiduciary responsibility - the primary role of pension funds, providing value for the pension participants - would be at odds with a socially responsible investment (SRI) policy. Essentially, it would lead to lower financial returns. In October 2005 Freshfields Bruckhaus Deringer, one of the largest law firms in the world, showed in a report for the UNEP Finance Initiative that the fiduciary responsibility of pension funds in different jurisdictions has different interpretations. This responsibility, however, does not require pension funds to take only financial criteria into account.⁵

Around 2005 a distinction emerged between two different approaches to SRI that had previously been mixed together and confused. The older, more established approach relies primarily on screening out "undesirable" companies, based on the investor's personal or collective organizational values. The newer approach to SRI, also called sustainable investing, views companies' ability to manage complex SRI issues primarily as a proxy and leading indicator for their overall management quality instead of attempting to make ethical value judgments. Under this view, strong SRI performance can become a potential source of competitive advantage, superior profitability and share price out-performance. This view has been reflected in changes to pension fund legislation in the United Kingdom, much of continental Europe and Australia, which obliges fiduciaries to report on their plans for incorporating company SRI assessments into their investment strategies. This broader segment of SRI had grown fast according to a study by the European Social Investment Forum (Eurosif).⁶

With the 'engagement' approach gaining ground fast, SRI is now moving into the mainstream investment universe. In April 2006 the United Nations Principles for Responsible Investment (UN PRI) were launched and marked a milestone in integrating of Environmental, Social and Governance (ESG) factors into investment risk-management processes. UN PRI has now grown into a 240-institution membership organization with a total of US\$11 trillion in assets under management, roughly 10% of global capital.⁷

The Zembla-documentary broadcast in March of 2007 about the investment policies of Dutch pension funds, generated a lot of public attention to SRI for pension funds in the Netherlands. The broadcast showed that Dutch pension funds invest in companies producing landmines and cluster munitions, as well as companies involved in child labour and companies causing serious damage to the environment. The second annual benchmark-study on the social responsible investment policies of 36 Dutch pension funds and 7 insurers clearly shows that the documentary has stimulated the pension funds to pay more attention to the issue. In this study Profundo and the Association of Investors for Sustainable Development (VBDO) showed that 21 of the 43 surveyed pension providers now have a responsible investment policy and that 13 providers are developing one. Progress is also being made in the implementation of the policies with specific instruments, such as exclusions, voting policies and stock selection.

Driven by this kind of public attention, an increasing demand from institutional investors and also a growing interest from (wealthy) individuals, a further mainstreaming of SRI into traditional financial services has accelerated the growth of European SRI since 2006. According to Eurosif research, total SRI assets under management in Europe has reached € 2,665 billion as of December 31, 2007. The European SRI market remains clearly driven by institutional investments representing 94% of the total EU SRI market. These investors are especially present in some of the larger European markets such as the Netherlands and the UK.

SRI has evolved considerably since the earlier part of this decade, both in terms of a greater spread among asset classes and in the different strategies being employed. Finally, even in a downturn of the financial markets, Eurosif expects to see growth in European SRI above and beyond the general market by the time the next study is published.⁸ The following conclusions from the Eurosif report show that the sector is clearly developing not only in terms of asset volume but also in terms of strategies and instruments.⁹

- The separation between SRI and non-SRI becomes more difficult to define in each study
 - this is arguably a positive development.
- Weapons screening is the most frequently used simple exclusion.

- The UK remains the leader by far in the area of engagement, followed by the Netherlands and the Nordic countries.
- Although microfinance was not included in this survey because it did not meet the market return requirement of our SRI definition, Eurosif predicts that microfinance will be of significant interest to SRI investors in the coming years.
- Responsible Property Investment is receiving increasing attention from institutional investors in the EU, as reflected by the launch in 2006 of the UNEP FI Property Working Group.
- In terms of transparency, 70% of respondents disclose information on their SRI processes on their website and 67% use an SRI norm or label such as the European SRI Transparency Guidelines.

Besides the Eurosif study, the survey of FairPensions shows a clear improvement in the combined performance of the 20 asset managers that were surveyed in both 2007 and 2008, as illustrated by a 23% increase in average performance. But the extent and quality of SRI practices amongst asset managers does not yet inspire confidence overall, says FairPensions. The acceptance of SRI thinking into the fund management industry is slow. In particular there remains a narrow focus on governance issues rather than a broader engagement on environmental and social considerations.¹⁰

2.3.1. Definitions

The terms “social”, “ethical”, “responsible”, “socially responsible” and “sustainable” are all used in a multitude of overlapping ways. Nevertheless, Eurosif spotted a common factor within this area: sustainable and responsible investors are concerned with long-term investment, and environmental, social and governance (ESG) issues are important criteria in determining long-term investment performance. Furthermore, Eurosif observes an increasing split into three areas:

- Responsible Investment (RI) takes the long-term influence of extra-financial factors such as environmental, social and governance (ESG) issues in their investment decision making into consideration.
- Socially Responsible Investment (SRI) may incorporate ESG issues as well as criteria more closely linked to a values-based approach.
- Sustainable Investment (SI) is a growing area where investors align their investments with emerging environmental and social realities.

However, Eurosif continues to use the term “SRI” as the most readily acknowledged expression for this field but is changing its direct definition to “Sustainable and Responsible Investment” as follows:

*SRI, a generic term covering ethical investments, responsible investments, sustainable investments, and any other investment process that combines investors’ financial objectives with their concerns about environmental, social and governance (ESG) issues.*¹¹

FairPensions mainly deal with ethical or responsible investment. According to them, ethical investment generally refers to investment strategies based on asset allocation - either screening out ‘bad’ sectors or companies, or specifically seeking ‘good’ companies and sectors to invest in. Responsible Investment (RI) may incorporate an ethical approach, but generally refers to the overarching policy and practices necessary to monitor and manage opportunities and risks arising from ‘extra-financial’ factors including environmental, social and governance (ESG) issues. Transparency and engagement (active ownership) are generally considered to be the key elements of RI.¹²

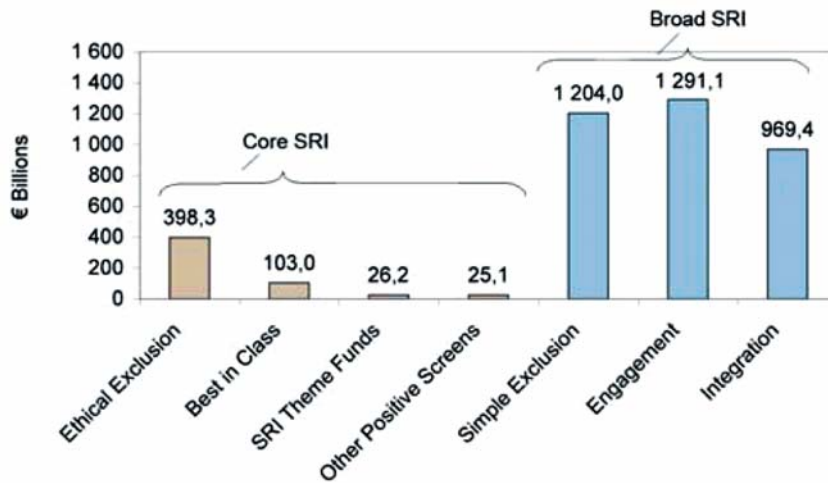
As this does not differ significantly from the definition of SRI according to Eurosif and in our experience SRI is used more than RI, it was decided to use the term SRI, including the S of social.

2.3.2. Strategies

Eurosif segmented the SRI market, making a distinction between Core SRI and Broad SRI, with each approach having its own strategies. Some strategies are used in combination across the two different segments. Which stra-

ategies are applied most throughout Europe is shown in Figure 1.¹³

Figure 1 SRI strategies applied in Europe



Source: Eurosif European SRI Survey, 2008¹

2.4. Fiduciary management and SRI

Outsourcing the fund management to fiduciary managers and the move towards different SRI approaches are two important trends in the Dutch pension fund sector. The dynamic relationship between these two trends is sometimes difficult to manage for pension fund trustees, as the asset management is in development and not always sufficiently transparent. Pension fund trustees are therefore sometimes struggling with the question of how to implement their SRI policies while at the same time outsourcing their fund management. As it is often unclear which SRI services different asset managers are offering, the selection of (fiduciary) managers can be relatively difficult. To create more transparency in this market and about pension funds in their selection process, this inventory has been made.

Notes on Figure 1:

- The ethical exclusions strategy is defined as more than two negative criteria.
- Best-in-Class, SRI theme funds are different types of positive screens.
- To be considered sustainable, a theme fund must truly take ESG considerations into account in the fund construction process.
- The simple exclusion strategy is defined as no more than two negative criteria.
- Integration is the explicit inclusion by asset managers of ESG-risk into traditional financial analysis and is practiced on "mainstream" or "traditional" assets.
- Total of individual strategies added together may be superior to the total of Core and Broad SRI due to overlaps.

3./ Objective and approach of the research

3.1. Objective

This research aims to explore the socially responsible investing (SRI) services offered by asset managers active on the Dutch pension market. The VBDO hopes to broaden the understanding of Dutch pension funds regarding the SRI services that asset managers can offer them. Clients with a fiduciary duty to ensure long-term returns, including pension funds, need to understand the ability and willingness of different asset managers to be responsible investors.

The study concerns the services that companies offer to Dutch pension funds at present (January 2009) and to the activities companies have undertaken the past year (2008).

3.2. Information gathering

Information about the services that asset managers provide to Dutch pension providers has been collected from publications (annual reports, websites and other) of the asset managers and from reports in financial media. In addition, a questionnaire was sent to all the asset managers in which information was requested regarding their services. The questionnaire can be found in appendix 2.

The questionnaire is based on the benchmark study of pension funds and later interviews conducted regarding the difficulties pension funds experience in finding services related to SRI. Additional literature was also consulted to find out which services fiduciary managers and asset managers in general offer.

The questionnaire asked about the services in general and whether they have an SRI policy. Information was also requested for specific SRI related services an asset manager can provide and to what extent it is possible to customize it to clients' preferences and policy. Finally inquiry was made to see if there is a minimum asset volume required to make use of these SRI services.

3.3. Analysis

Based on the information gathered from these sources a profile was constructed in which all aspects were described. These profiles were sent back to the asset managers and corrected when necessary. The final profiles can be found in appendix 1.

This study provides a description of the current situation; comparing the kinds of services the companies are able to provide to pension funds. As this is a qualitative study, no statistical analyses or scoring methods were used to come to conclusions, except when counting items such as the number of times a service is offered.

A classification was made for the asset managers for remarkable characteristics within and between the classified groups. This was done to provide the pension funds with an overview of the services related to SRI that asset managers offer to them. Finally this report aims to show the different options pension funds have, whether they have large asset volumes or not.

This publication should not be taken as financial advice or seen as an endorsement of any particular company. While every effort has been made to ensure the information contained herein is correct, complete accuracy cannot be guaranteed. The research was carried out in February 2009 and all those entities surveyed were given a deadline of one month to submit any further information they wished to have included. During the period of the analysis, the respondents surveyed were informed of their interim profile by email, and telephone, and were

given the opportunity to meet or speak with the VBDO or Profundo to provide additional information and/or make additional disclosures. Any notifications of changes, information, or clarification not submitted prior to the deadline were not included in the report.

3.4. Selection

This study includes 20 companies offering services related to asset management that are active on the Dutch pension market. The selection is based on a study from Dutch Investor which shows the biggest companies according to their volume of (in)directly managed assets.¹⁴

Asset managers SAM, Hermes, Pictet AM, Henderson Global Advisors and Dexia AM were also selected because they are known to be innovative in terms of SRI: some have received awards from for example Global Pensions and Ethical Investment. The FairPensions report was also taken into account.¹⁵

The following companies were selected:

- AEGON IM
- APG Groep
- ASR Insurances (formerly Fortis investments)
- AZL Fiducional (part of ING)
- Barclays Global Investors
- BlackRock (Netherlands)
- Blue Sky Group
- Dexia Asset Management
- F&C Netherlands
- Goldman Sachs AM
- Henderson Global Investors
- Hermes EOS
- ING IM Europe
- Insinger de BAM
- Kempen Capital Management
- Mn Services
- PGGM
- Pictet Asset Management
- Robeco
- Russell Investments
- SAM
- SNS Asset Management
- SPF Beheer
- State Street Global Advisors
- Syntrus Achmea VB
- TKP Investments

The information provided by the selected companies was analysed in an identical way, whether they were selected on the criteria of asset volume or innovativeness.

4. / Results

4.1. Response

About 15 asset managers filled in the questionnaire, others only gave a reaction to their profile. In total only 5 of the 25 selected asset managers did not react at all, resulting in a response rate of 80%.

4.2. Classification

Asset managers provide the following services:

- Consultancy to the direction / board
- Pension fund management/administration (of participants)
- Advise on the ALM
- Advise on portfolio management
- Risk management
- Manager selection
- Monitoring
- Integrated reports (on the results of the provided services)
- Full fiduciary management (asset management is fully in the hands of the fiduciary)
- Fiduciary management on a consultancy base (asset management is (partly) in the hands of pension fund)
- Asset management
- Proxy voting

Based on the answers a classification was made of the asset managers. The selection can be divided into three groups: basic, fiduciary management and full service. The first group consists of asset managers that concentrate on delivering 'pure' asset management and provide some related services. The second group provides fiduciary management and also offers a broad range of other services related to asset management. The last group is different from the second because they also provide pension fund administration and advice to the board. The classification is made as follows:

Basic services

- AEGON IM
- ASR Insurances
- BlackRock
- Dexia Asset Management
- Hermes EOS
- SAM

Fiduciary management services

- F&C Netherlands
- Goldman Sachs AM
- ING IM Europe
- Insinger de BAM
- Pictet Asset Management
- Robeco
- SNS Asset Management
- State Street Global Advisors

Full service companies

- APG Groep
- AZL Fiducional
- Barclays Global Investors
- Blue Sky Group
- Henderson Global Investors
- Kempen Capital Management
- Mn Services
- PGGM
- Russell Investments
- SPF Beheer
- Syntrus Achmea VB
- TKP Investments

In the rest of the report, the name of the classified groups will be used instead of individual companies where relevant.

4.3. Policy

Half of all invested asset managers did formulate a policy for SRI. Often these asset managers are a signatory of the UN PRI, or are a member of Eumedion. Three asset managers have a policy on SRI that is only used to construct the portfolio of their SRI funds. Others do not have an SRI policy and their corporate governance code or corporate responsibility policy does not cover SRI.

4.4. Reporting

Client reporting is almost a standard service. In addition to this, 8 asset managers have an annual report on Sustainability or Social Responsibility or Responsible Investing that is publicly available. Some asset managers only report to their clients on votes cast while others make their voting decisions publicly available with an online reporting tool. An overview of investments is most of the time not disclosed on the website, except for some SRI funds (i.e. SAM, ING SRI funds).

4.5. Outsourcing

Almost all asset managers do outsource activities related to SRI. Asset managers that do not outsource SRI activities are often the fiduciary services companies. No explanation was found for this difference.

Voting and engagement services are often outsourced to the following companies:

- Corporate Governance Platform
- F&C AM (reo@)
- GES Investment Services
- ISS
- RiskMetrics
- Ethos Foundation

The following specialist research providers are often mentioned:

- SiRi Company
- Centre Info
- Sustainalytics
- Innovest

APG Groep and SPF Beheer provide an overview of external asset managers online, while some others provide the list to clients on request. Some asset managers use ESG-criteria for the selection of external asset managers and in one case the asset managers are bound to SRI policy.

4.6. SRI services

Asset managers have different ways of supporting their clients in SRI. Except for five asset managers, most of the surveyed asset managers offer one or more services related to SRI. Some asset managers simply offer to clients the ability to adjust their voting services to clients' policy, while others offer a range of modules where the client can select the appropriate services and customize these to the policy and ESG-criteria of the client. Finally, a few asset managers do not offer services based on the preferences of clients. One example is PGGM, as its investments and exclusion list is "based on careful analysis according to their own ESG-criteria and through dialogue with clients".

About half of the asset managers can provide their clients help with drafting their own SRI policy or develop customized services. Voting and engagement services are the services that are offered the most: about two-thirds of the companies provide this to clients. Selection of projects, funds and/or companies with high sustainability relevance based on clients ESG-criteria is rarely possible. But on the other hand about half of the asset managers claim to have sustainable investment funds.

4.6.1. Special products

The investment process of these sustainable investment funds includes the application of ESG-criteria and a selection of the sustainable companies. In terms of asset managers offering SRI services or not, about half of them have specially constructed sustainable funds in which every institutional investor can participate.

Another SRI-product was mentioned a few times: Responsible Engagement Overlay (REO). F&C developed this approach to encourage best practice through constructive and credible dialogue with company management and by fully exercising voting rights in all global markets. State Street Global Advisors made an agreement with F&C to also offer REO® to its clients. Clients of asset managers Syntrus Achmea, PGGM, and Mn Services will also engage via REO® if they use the engagement services of these asset managers.

Hermes provides a similar product; the equity overlay service, which is called "Equity Ownership Services" (EOS). In this case it is an integrated solution across all the elements of committed share-ownership, and does not normally separate its engagement services from its voting services. Some others are also thinking of providing engagement and/or voting as an overlay strategy or are developing at this moment.

4.6.2. Asset volume

Five asset managers did not answer the question on the minimum required asset volume to use the SRI services. In general they were rather vague about it, saying that they were very flexible and mentioning specific information was not possible because of their tailor-made solutions. Of those who did, most do not require a minimum - especially the full service companies. Four asset managers (mostly fiduciary service companies) mentioned a minimum of €25 to €50 million and two others said the costs depend on asset classes or other 'factors'. Sometimes a minimum is only required when a client wants to open a segregated account. One asset manager warned that for operational effectiveness and efficiency a certain asset volume is beneficial.

There is also good news for the smallest pension funds: Pooling assets is often possible. Most asset managers advise pension funds that want to invest in a socially responsible manner to participate in SRI funds, which often include engagement and voting for the companies invested in. In some cases it is even possible to construct a sustainable fund for the cooperating pension funds based on their shared values and criteria. There were also a lot of asset managers who thought it unnecessary to pool assets as no minimum asset volume is required.

5./ Taking Action

5.1. Overview of services

The study shows that asset managers offer all kinds of services in many unique ways. Some offer their services based on their own policies, while others offer their services based only on client preferences. All the information has been summarized in the following table, offering pension funds an overview of the possibilities regarding SRI services. The letter scoring system does not judge the services provided (A is not better than B or C), it is merely used to categorize the different options available to pension funds. Appendix 1 provides a profile of each asset manager with more detailed information on the services they offer.

Once pension fund managers have determined their needs and the factors upon which their choice will be made, this guide can help pension funds make a first selection of asset managers that offer. Some managers seem to provide SRI services but these cannot be tailored to fit the clients' policy, while other managers do not have their own policy but provide services that are based on their clients' policy including SRI. This distinction is made available in the table below.

Table 1. An overview of services related to SRI by asset managers.

Company	Advice and support in drafting a SRI policy for client	Investment selection	Voting (advice)	Engagement	Drafting of an exclusion list	Selecting external asset managers	Selecting sustainable projects and funds
Basic services							
AEGON IM	Unknown	F	F	F	F	F	F
ASR Insurances	Yes	A, C	A, C	A, C	A, C	A, C	A, C
BlackRock	No	E	E	E	E	E	E
Dexia Asset Management	Yes	B	B	B	B	B	D
Hermes EOS	Yes	E	A, B	A, B	E	E	E
SAMNo	E	B, C	E	B, C	E	E	
Fiduciary management services							
F&C Netherlands	Yes	A, B	A, B	A, B	A, B	A, B	A, B
Goldman Sachs AM	No	E	E	E	E	E	E
ING IM Europe	No	E	B	E	E	E	E
Insinger de BAM	Unknown	E	E	E	E	E	E
Pictet Asset Management	No	B	E	E	E	E	E
Robeco	No	E	B	B	B	E	E
SNS Asset Management	Yes	B	E	E	E	B	E
State Street Global Advisors	Yes	D	D	D, A, C*	D	E	E
Full service companies							
APG Groep	Yes	A	A	A	A	A	A
AZL Fiducional	Yes	C	E	C	C	C	C
Barclays Global Investors	Yes	C	C	C	E	E	E
Blue Sky Group	No	E	E	E	E	E	E
Henderson Global Investors	Yes	B	B	B	E	E	B
Kempen Capital Management	Yes	E	E	B	A, B	A, B	E
Mn Services	Yes	B	B	B	B	B	E
PGGM	Yes	B	A	A	A	A	A
Russell Investments	Yes	E	C, D	C, D	E	E	E
SPF Beheer	Yes	B	B	B	B	B	B
Syntus Achmea VB	Yes	B	B	B	B	B	B
TKP Investments	Yes	B	B	B	B	B	B

Legend:

- A. Service is based on asset manager SRI policy, the asset manager feels its own policy is more than adequate. This means that clients are not able to determine their own SRI policy.
 - B. While the asset manager does have its own SRI policy, the service is based on ESG-criteria selected by the client.
 - C. The asset manager has its own SRI policy, yet clients who want to select their own ESG-criteria need a customized mandate or segregated account.
 - D. Asset manager has no SRI policy/investments, SRI is possible on request and based on clients policy.
 - E. Service is not provided.
 - F. No information available.
- * In this specific case engagement is based on policies of all clients that use the service when a client does not have a separate account and selected its own ESG-criteria.

5.2. Determining needs and possibilities

A pension fund that may want to invest in a socially responsible manner can first identify its possibilities and needs based on its current position. The following questions and/or actions can help identify the service it needs:

- Has an SRI policy already been developed?
- What kind of strategies should be used to implement SRI?
- Has the pension fund highly specific criteria or preferences a provider should take into account?
- Who are the current asset or fiduciary managers and which services do they offer?
- To which asset classes should the services be applied?
- What kind of manager structure would fit best to the pension fund: a fiduciary manager who takes care of SRI on all investments or a specialist for certain asset classes that provides SRI services for those asset classes?

Once it is clear what kind of service a pension fund needs it can use table 1 to see if there are asset managers providing the needed services.

5.3. Options

The inventory makes clear that there are a lot of services and combinations of services possible, also when it comes to SRI. Based on the provided services, two contrasting approaches can be identified. Combinations of the options within the approaches are of course also possible.

5.3.1. *Menu*

As in a restaurant, pension funds can choose the fixed menu offered by one asset manager and outsource everything. From administration to engagement and voting: one asset manager performs all activities. The advantage is that there is only one company where a pension fund needs to share its concerns with and send its complaints to. For a pension fund with little staff and resources this can be very attractive. The disadvantage may be that the pension fund becomes highly dependent on this asset manager. Also, a fixed menu does not necessarily offer the best quality for each individual item.

5.3.2. *A la carte*

A different approach is to pick and choose what best suits the needs of a pension fund. It can look for the best asset manager for each asset class. For the SRI screening of investments the fund can look for a special service that takes into account the pension fund's own policy and takes care of voting and engagement. The selection of managers can also be outsourced to another party. The fund can find the best providers for each service. The selection of asset managers by one provider and the screening of investments by the other also holds possibilities for monitoring and finding discrepancies earlier. However, there will be a lot of parties to deal with and this can make things very complicated.

Both approaches have their advantages and drawbacks. Pension funds should carefully consider what the various options are. The aim of this inventory, including the profiles in Appendix 1, is to help pension funds to get a better overview of the market and find the asset managers most appropriate to suit their needs.

APPENDIX 1

Profile

1. AEGON Investment Management

General

AEGON is one of the world's largest providers of life insurance, pensions and long-term savings and investment products. AEGON Investment Management (AEGON IM) is the asset management arm of AEGON.¹⁶

Services

- Asset management
- Proxy voting

RiskMetrics carries out proxy voting activities for AEGON IM.

Policy on SRI Creating a better future for all its stakeholders is central to AEGON's overall mission. An integral part of this belief is AEGON's responsibility to contribute positively to the society and environment in which the group operates.

All subsidiaries of AEGON Group should respect its Corporate Responsibility Code, which is recently translated to an SRI policy of AEGON IM. Important investment decisions of AEGON IM are based on UN Principles of Responsible Investments, Universal Declaration of Human Rights, RIO Declaration on Environment and Development, United Nations Convention against Corruption, UN Global Compact Principles en International Labour Organization's Declaration of Fundamental Principles and Right at Work.

AEGON introduced a Global Voting Policy in 2008, in which sustainability is important but not clearly integrated in the process.

The AEGON SRI policies is only applied to the Sustainable Funds. Other investment decisions are based on the Corporate Responsibility Code. The exclusion policy is not applied to indirect investments, hedge funds and private equity and is not used in the selection of external asset managers. In this situation AEGON focuses on engagement.

Instrument to implement SRI

- Exclusion list
- Engagement
- Financing of projects or companies with high sustainability relevance

ESG-criteria are applied to investment decisions for the AEGON Sustainable Funds in particular. AEGON IM will continuously monitor whether its portfolio complies with its standards and values on social responsible investing. It uses so-called pre-trade compliance (an exclusion list like the Controversial Weapons Radar) en post-trade compliance (a watchlist based on monitoring and engagement) provided by Dutch Sustainability Research (DSR). Beside weapons, severe human rights violation and environmental damage are also reasons to exclude companies from investing. The SRI Committee of AEGON will evaluate the watchlist and may decide to finally exclude companies from investing.

AEGON invests in a few sustainable projects in the USA, but this is not on a structural base.

Reporting The annual corporate responsibility report does not provide information on activities related to SRI. The SRI policy is only recently introduced and a report is to be expected next year. An overview of votes cast is available on the website of AEGON. AEGON does outsource asset management to external asset managers.

External asset managers	AEGON does offer SRI services within a specific customer mandate, but it is unclear which one. Although clients of AEGON may have additional needs towards socially responsible investing,
Services based on pension funds' SRI policy and preferences	AEGON IM will not change the basic principles of its SRI policy but is able to make a specific customer mandate.
Minimum asset volume requirement	We did not find information on the minimum asset volume requirements nor on the possibility for pooling assets.

2. APG Investment

General

APG Groep N.V. is one of the world's largest pension administration organisations and is specialised in the administration of collective pensions. APG Group serves over four million pension fund members in the sectors education, government, construction and housing corporations and manages approximately € 220 billion (30 September 2008) of pension capital on behalf of these sectors.

Through its subsidiaries, APG Algemene Pensioen Groep and Cordares, APG Group provides products and services for pension funds in the field of pension administration, communication, asset management and management support. APG Group provides products and services in the field of additional income security through Cordares Verzekeringsgroep and Loyalis.¹⁷

Services	<ul style="list-style-type: none"> - Consultancy to the direction / board - Pension fund management/administration - Advice on the ALM - Advice on portfolio management - Risk management - Manager selection - Monitoring - Integrated reports - Full fiduciary management - Asset management - Proxy voting
Policy on SRI	APG has a SRI policy based on different international guidelines such as the OECD buildings, UN declarations and the Dutch corporate governance code (Code Tabaksblat). This policy is applicable to all asset classes. The SRI policy documents indicate APGs goals towards corporate governance and ESG criteria and shows how different methods are used to ensure the portfolio is in line with the set criteria.
Instrument to implement SRI	<p>Application of ESG-criteria in the investment selection process</p> <ul style="list-style-type: none"> - Engagement - Voting - Exclusion list - Financing of projects or companies with high sustainability relevance

Reporting	APG reports on its website and its annual report on the implementation and execution of its SRI policy.
External asset managers	20% of the assets are managed externally, divided over at least 20 asset managers. This list is available on the APG website.
Services based on pension funds' SRI policy and preferences	<p>Advice and support related to the drafting of a SRI policy by the pension fund</p> <p>APG has one ESG policy implemented, which is used in all the asset categories they invest in for clients. APG feels that it is more efficient to have one responsible investment policy than several client specific ones.</p> <p>If clients have suggestions to alter the policy APG will take that into account and implement the suggestions if that is an improvement to the policy.</p>
Minimum asset volume requirement	There is no minimum asset volume for APG to offer its SRI services. Every asset category that APG manages on behalf of their clients has an SRI policy implemented.

3. ASR

General

ASR Insurances is the new name of Fortis ASR and offers a broad range of insurance and finance products. ASR cooperates closely with independent intermediaries.¹⁸

Services

- Pension fund management/administration
- Risk management
- Manager selection
- Monitoring
- Integrated reports
- Proxy voting

ASR offers divers solutions for pension funds through (re)insurance.

Policy on SRI

ASR indicates that SRI criteria are included in the general investment policy. ASR uses positive screening of companies and countries on ESG criteria based on external SRI research. Moreover ASR has an exclusion policy for:

- controversial weapons;
- nuclear energy;
- pesticides;
- alcohol;
- tobacco;
- gambling;
- sex-industry;
- animal testing.

This policy is not publicly available.

Instrument to implement SRI

- Application of ESG-criteria in the investment selection process
- Engagement
- Voting
- Exclusion list
- Financing of projects or companies with high sustainability relevance

Reporting	Information is reported on as part of Fortis Group SRI policy. Over 2008 ASR will publish its own sustainability report.
External asset managers	ASR does not give information on the external asset managers. However, external asset managers are bound to the SRI policy of ASR.
Services based on pension funds' SRI policy and preferences	SRI policy and preferences ASR does not offer services based on preferences of pension funds. Pension funds can conform to ASR's policy. A customized mandate can be made if a fund wants to apply other ESG-criteria. Great flexibility in asset management and reporting is being offered for funds with an asset volume of more than € 10 million. Minimum asset volume requirement
Minimum asset volume requirement	Not applicable.

4. AZL

General

AZL is a pension and fiduciary asset manager. They advice over 60 pension funds on administrative matters and takes care of the fiduciary asset management for pension funds.¹⁹

Services	<ul style="list-style-type: none"> - Consultancy to the direction / board - Pension fund management/administration - Risk management - Integrated reports - Advice on the ALM - Advice on portfolio management - Full fiduciary management - Proxy voting - Asset management - Monitoring - Manager selection
Policy on SRI	<p>To qualify for AZL investments third parties need to:</p> <ul style="list-style-type: none"> - respect fundamental human rights - prevent the worst forms of child labour - refrain from using forced labour - refrain from extensive environmental pollution - not be involved in production of controversial weapons.
Instrument to implement SRI	<ul style="list-style-type: none"> - Engagement - Voting - Exclusion list - Financing of projects or companies with high sustainability relevance; there is no information on which projects this entails. <p>AZL uses an external service provider to screen the portfolio and do engagement.</p>
Reporting	AZL reports to its clients on a regularly base.

External asset managers	AZL does outsource asset management, also on behalf of third parties. There is no overview of external asset managers on the website.
Services based on pension funds' SRI policy and preferences	<p>AZL could accommodate the following services on clients request. Clients will be charged for possible extra costs connected to these services.</p> <ul style="list-style-type: none"> - Investment selection based on ESG-criteria selected by the customer - Voting (advice) based on ESG-criteria selected by the customer - Engagement with companies and countries in which the customer invests, based on ESG criteria selected by the customer - Drafting of a list of excluded companies and countries, based on ESG criteria selected by the customer - Advice and support related to the drafting of a SRI policy by the pension fund - Selection of external asset managers based on ESG-criteria selected by the customer - Selection of projects and funds with very high sustainability relevance, based on ESG criteria selected by the customer
Minimum asset volume requirement	Not applicable.

5. Barclays Global Investors (BGI) Limited

General

Barclays Global Investors (BGI) is the asset management arm of Barclays PLC - a public company listed on the London Stock Exchange. BGI manages more than € 1,217 billion in assets (as at September 2008) for individual and institutional investors across the globe. The range of products covers all major asset classes including equities, bonds, cash, commodities and currencies using a vast array of quantitative investment strategies which cover the full risk-return spectrum.²⁰

Services	<ul style="list-style-type: none"> - Consultancy to the direction / board - Advice on the ALM - Advice on portfolio management - Fiduciary management on a consultancy base - Asset management - Proxy voting
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Policy on SRI	<p>BGI has a corporate governance policy in which it becomes clear that BGI believes corporate governance structures will help to protect and further long-term returns to shareholders. Corporate governance practices will vary by company and by market, but they should reflect the foundational principles of accountability, transparency, fairness and responsibility. BGI incorporates ESG considerations in its policy, because good corporate governance of a company includes the effective management of environmental, social and governance (ESG) risks. Failure to address these matters may harm a company's reputation and performance.</p> <p>Companies should state in the annual report whether the board has taken account of the significance of ESG matters to the business of the company and how this is worked out in policies, procedures and verification.</p> <p>The corporate governance policy further sets out how BGI will exercise its voting authority and undertake engagement with companies in relation to stocks held on behalf of its clients.</p>
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The Shareholder Engagement Committee (SEC), which consists of senior officers of BGI Limited, reviews and approves its corporate governance activities.

Instrument to implement SRI

- Engagement
- Voting
- Exclusion list

BGI's investment methodology begins with the identification of ideas ('insights') that are economically sound and rational. New ideas are assessed from within the firm and from external sources, these insights are then ranked and become part of the research agenda. This research process ensures that all of the 'candidate signals', including those related to ESG-criteria, for the investment strategies are 'theoretically sound and empirically valid'. BGI has not generally found empirically valid economic benefits regarding ESG-criteria and thus does not apply ESG-criteria in the investment selection process.

BGI replicates indices that include environmental, social or governance criteria and can manage segregated mandates with SRI overlays that omit certain companies from a portfolio, as directed by the client.

With regard to continental Europe, BGI outsources its social and environmental engagement activities to specialist provider Innovest.

Reporting BGI reports regularly (quarterly) to clients on how their votes have been exercised and how BGI has engaged companies on their behalf. Voting records are available to the public on the website.

External asset managers BGI does not outsource any activities related to SRI to external asset managers.

Services based on pension funds' SRI policy and preferences

- Advice and support related to the drafting of a SRI policy by the pension fund.
- Investment selection based on ESG-criteria selected by the customer for indexed equity mandates.
- Voting (advice) based on ESG-criteria selected by the customer.
- Engagement with companies and countries in which the customer invests, based on ESG criteria selected by the customer. This is possible within specific arrangements.

Also on occasion, BGI may develop an actively managed fund for a client that includes environmental, social or governance screens developed by that client.

Minimum asset volume requirement

BGI has pooled funds but does not use social and environmental criteria for selecting companies within the investment process of these funds.

BGI has the ability to manage segregated SRI mandates and can accommodate any type of SRI strategy if provided with details of the required benchmark. The minimum asset size for a segregated account varies depending on the asset class and product.

Pension funds can pool their asset volumes to be able to use the services mentioned in above. BGI has one Dutch client who pools and has a \$6 billion SRI mandate with BGI.



6. BlackRock

General

BlackRock is a premier provider of global investment management, risk management and advisory services to institutional and retail clients around the world. As of 31 December 2008, BlackRock's assets under management total US\$1.31 trillion across equity, fixed income, cash management, alternative investment and real estate strategies.²¹

Services - Asset management
- Risk management

Policy on SRI BlackRock has a corporate governance policy, binding for all its subsidiaries.
BlackRock does not have a policy document for SRI. SRI is only applied to client assets on request.

Instrument to implement SRI None

Reporting On the website is no public information available about investments, external asset managers or results of activities on corporate responsibility and SRI.

External asset managers No information available.

Services based on pension funds' SRI policy and preferences On request. We did not find information about which services are possible.

Minimum asset volume requirement We did not find information on the minimum asset volume requirements nor on the possibility for pooling assets.

7. Blue Sky Group

General

Blue Sky Group is a privately owned investment management firm. The firm manages equity, fixed income, and real estate pension funds for its clients. It invests in the public equity, fixed income, and real estate markets

Services across the globe. Total asset under management is €12 billion (31 December 2007).²²

- Consultancy to the direction / board
- Pension fund management/administration
- Risk management
- Manager selection
- Monitoring
- Integrated reports
- Asset management
- Full fiduciary management

Policy on SRI Blue Sky Group does not have a SRI policy.

Instrument to implement SRI Blue Sky Group does not implement SRI instruments to its investments.

Reporting	Blue Sky Group reports to its clients on a regularly base. The Annual Report 2007 does not include activities related to SRI.
External asset managers	Blue Sky Group does outsource asset management, also on behalf of third parties. There is no overview of external asset managers on the website.
Services based on pension funds' SRI policy and preferences	Blue Sky Group offers SRI services on request. We did not find information about which services are possible.
Minimum asset volume requirement	Unknown.

8. Dexia Asset Management

General

Dexia AM manages about €79.3 billion (set date 31 December 2008) spread over all asset classes. Over the years, its assets under management in SRI have grown exponentially. As at June 2008, Dexia AM managed €17.6 billion in SRI - of which € 5.6 billion in standard management and € 12 billion in tailor-made solutions (e.g. respect for international norms) - which corresponds to about 18% of all assets under management at Dexia Asset Management.²³

Services

- Asset management
- Proxy voting

For more information institutional parties and consultants can register on <https://www.dexia-am.com/NL/institutional> to ask access to Dexia's institutional website.

Policy on SRI The SRI philosophy at Dexia Asset Management hinges on the idea that investments in issuers that manage well their sustainability-related challenges generate double long-term added value: investors can count on "sustainable" performances obtained through financial expertise while advocating "responsible" behaviour towards sustainable development. The policy is based on, among others, the UN Global Compact.

Besides that two specific policies apply to particular asset classes.

- Its statement of commitment to the SRI Transparency Guidelines in September 2008 applies to the open-ended funds in UCITS Dexia Sustainable;
- Dexia's Armament policy applies to all our open-ended SRI funds;
SRI philosophy apply to assets managed on behalf of third parties but only to SRI products.

Dexia is the first bank to set itself a quantitative target to limit the CO2 impact of loans to the energy sector. Dexia adopted a sustainable development action plan in 2006 that revolves around the five principal lines of its approach to Social and Environmental Responsibility:

Dexia Asset Management is a signatory of the following initiatives:

- Principles for Responsible Investment (PRI)
- European SRI Transparency Guidelines
- Investors' Statement on Transparency in the Extractives Sector
- Equator Principles
- Carbon Disclosure Project
- Investor Statement on Sustainability Reporting in Emerging Markets

Instrument to implement SRI	<ul style="list-style-type: none"> - Application of ESG-criteria in the investment selection process - Engagement - Voting - Exclusion list - Financing of projects or companies with high sustainability relevance <p>Dexia Asset Management has developed a rigorous sustainability analysis for its SRI products based on several approaches:</p> <ul style="list-style-type: none"> - the 'best-in-class' approach involves selecting the best issuers (equity/bond) in any given sector with regard to sustainable development. - the thematic approach is designed to select the best companies according to specific sustainability themes. - the norms-based approach aims to check companies' compliance with major international treaties and conventions, and - the weapons exclusion implies that companies involved in the production and sales of weapons will be excluded from investments. <p>Besides the SRI funds, investors can opt for Dexia Micro Credit Fund, which invests in micro-finance institutions, that grant loans to entrepreneurs in developing countries (jointly managed by Blue Orchard and Dexia AM).</p>
Reporting	<p>Dexia produces an annual and semi-annual Sustainability Report, which are available on the website. There is also an overview of the 2007 Proxy Voting exercise available at the website. For clients a detailed report, a performance analysis and details of the allocation of his portfolio are available. In addition, Dexia AM offers a series of informative publications.</p>
External asset managers	<p>Dexia does not outsource any form of SRI asset management. All the SRI research (sustainability analysis) and fund management is done in-house.</p>
Services based on pension funds' SRI policy and preferences	<ul style="list-style-type: none"> - Investment selection based on ESG-criteria selected by the customer. - Voting (advice) based on ESG-criteria selected by the customer - Engagement with companies and countries in which the customer invests, based on ESG criteria selected by the customer - Drafting of a list of excluded companies and countries, based on ESG criteria selected by the customer - Advice and support related to the drafting of a SRI policy by the pension fund - Selection of external asset managers based on ESG-criteria selected by the customer <p>Dexia does report on these services to clients but they are tailor-made and thus there is no standard document available.</p>
Minimum asset volume requirement	<p>Dexia does require a minimum asset volume of about € 25 million and more depending on the level of customization.</p> <p>For pension funds that have smaller asset volumes the standard SRI solutions are available and pension funds can pool their asset volumes. Dexia did this for example for a mandate in Austria. Future possibilities are in function of clients' demand and wishes.</p>

9. F&C Asset Management

General

F&C Netherlands BV is a subsidiary of F&C Asset Management PLC (F&C), the listed holding company of the F&C group whose shares are quoted on the London Stock Exchange. F&C's total assets under management of € 118 billion (as at 31 December 2008) include:

- liquidity (3.0%);
- property (8.0%);
- alternative investment (3.0%);
- fixed income (62.0%); and
- equity (25.0%).

F&C's head office is based in the UK but has a number of client services departments of which one is situated in the Netherlands. F&C offers segregated and pooled portfolio management for equity, fixed income and alternative investments to Dutch retail and institutional investors. As at 31 December 2008 F&C Netherlands managed 184 portfolios with a value of €32.7 billion for Dutch clients. It also advises on over €62 billion of Dutch assets under the reo® (Responsible Engagement Overlay) product.²⁴

Services

- Advice on the ALM
- Advice on portfolio management
- Risk management
- Manager selection
- Monitoring
- Integrated reports
- Full fiduciary management
- Fiduciary management on a consultancy base
- Asset management
- Proxy voting

F&C has an Asset Liability Management and Insurance team available for ALM studies as well as an Governance & Sustainable Investment (GSI) team specialised in responsible investing.

Policy on SRI

The overall policy is described within the annual Responsible Investment report. In summary, F&C strongly believes that the prudent management of environmental, social and governance (ESG) issues is fundamental to creating and protecting shareholder value. Companies that are successful in avoiding ESG risks, and also at identifying and capitalising on ESG-related opportunities, will outperform over the longer term. For this reason, the responsible investment approach is fundamental to the company's global investment philosophy across all the funds. F&C has a structured Research Connectivity process to promote communication between our Equity, Fixed Income and Governance & Sustainable Investment (GSI) teams.

There are three core elements to F&C's responsible investment activities:

- Voting
- Shareholder engagement
- Collaboration and public policy.

In addition, F&C has special criteria and policies for the F&C Stewardship range of products (exists to serve the needs of investors who have strong personal beliefs and who wish to derive financial returns from companies whose conduct and activities are aligned with those beliefs). Besides that F&C has a specialised Responsible Property Investment (RPI) programme. F&C's policies apply to equities, credit and property, including the assets managed for third parties.

Instrument to implement SRI	<ul style="list-style-type: none"> - Application of ESG-criteria in the investment selection process (through, for instance, exclusion of companies involved in the manufacture of cluster bombs and/or landmines) - Engagement - Voting <p>F&C does not undertake financing nor is planning to do so: its sole activity is asset management. But F&C has developed specialised ethical funds which meets highly robust criteria for sustainability: the equity 'Stewardship' range of pooled products, the F&C Ethical Bond Fund and the F&C Climate Opportunities Fund.</p>
Reporting	<p>F&C provides, as a standard service, regular reports on its own global voting activity. F&C can also produce client specific voting reports on their holdings and at a defined frequency. F&C produces quarterly reports on its engagement activities which are captured under the Responsible Engagement Overlay (reo®) product.</p> <p>Annually F&C publishes a Responsible Investment Report that describes its activities and the outcomes of voting & corporate governance, shareholder engagement and public policy & collaborative activities.</p> <p>F&C also creates a wide range of GSI research notes (published reports on a range of GSI related matters like "Banks and the Credit Crunch - where do we go from here?" and "Access to Medicines". Also a periodic GSI newsletter is produced for clients (GSI bulletin) in which recent GSI developments are discussed.</p> <p>Finally, F&C provides regular updates on engagement, voting and screened funds by way of product seminars, client meetings or at request.</p> <p>F&C does not provide an overview of recent investments in its client accounts.</p>
External asset managers	<p>F&C does outsource part of its asset management in light of the fiduciary offering.</p>
Services based on pension funds' SRI policy and preferences	<p>F&C has a range of modules from which services can be selected. This begins with the articulation of a set of Principles, Strategy and Policies. This outlines the basic philosophy that underpins the client's actions, a comprehensive five-year strategy to translate this philosophy into action, and a detailed set of policies that spell out the client's practical positions and activities in each of the specific areas of interest.</p> <p>F&C's engagement service is provided through the reo® (Responsible Engagement Overlay) product in which several institutional investors participate. The service can be applied to assets under management with F&C as well as with other managers.</p> <p>Specific services include:</p> <ul style="list-style-type: none"> - Investment selection based on ESG-criteria selected by the customer, only available for segregated bond, equity and property mandates. For the Dutch pooled vehicles F&C has included screens for cluster bomb and land mine involvement. - Voting service based on governance criteria selected by the customer - Engagement with companies and markets in which the customer invests, based on ESG criteria selected by the customer - Drafting of a list of excluded companies and countries, based on ESG criteria selected by the customer - Advice and support related to the drafting of a SRI policy by the pension fund - Selection of external asset managers based on ESG-criteria selected by the customer - Selection of projects and funds with very high sustainability relevance, based on ESG criteria selected by the customer

Minimum asset volume requirement The minimum investment for segregated asset management including screened and thematic investment is €50 million.
 There is no minimum size that F&C will provide voting and engagement services on but consideration must be given to the smallest portfolio size at which the service is still cost effective.
 Pension funds can pool their asset volumes to become eligible for the services.

10. Goldman Sachs

General

The Goldman Sachs Group, Inc. is a leading global financial services firm providing investment banking, securities and investment management services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. Goldman Sachs has €493 billion under management (March 31 2008).²⁵

Services

- Full fiduciary management
- Fiduciary management on a consultancy base
- Asset management
- Risk management

Policy on SRI Goldman Sachs does have a corporate governance policy, binding for all its subsidiaries. Goldman Sachs does not have a policy document for SRI. SRI is only applied to client assets on request.

Instrument to implement SRI Goldman Sachs does not implement SRI instruments to its investments.

Reporting Goldman Sachs reports to clients periodically. On the website is no public information available about investments, external asset managers or results of activities on corporate responsibility and SRI.

External asset managers No information available.

Services based on pension funds' SRI policy and preferences Goldman Sachs does not offer SRI services to institutional investors.

Minimum asset volume requirement We did not find information on the minimum asset volume requirements nor on the possibility for pooling assets.

11. Henderson Global Investors

General

Henderson is one of Europe's largest investment managers, with EURO 64.9 bn billion assets under management (as at 30 September 2008) and employs around 950 people worldwide.²⁶

The company provides its professionals with a broad range of asset classes, including:

- Equities (38.81% of total AUM)
- Fixed interest (30.01%)
- Property (17.89%)
- Private equity (1.80%)
- Cash (11.49%)

- Services**
- Pension fund management/administration
 - Advice on portfolio management
 - Risk management
 - Monitoring
 - Integrated reports
 - Full fiduciary management
 - Asset management
 - Proxy voting

Policy on SRI Equities

Responsible Investment (RI) is the term Henderson uses to cover its work on corporate governance and corporate responsibility (or social, environmental and ethical issues) in the companies in which Henderson invest on clients' behalf, across all its funds. Together these are sometimes referred to as 'environmental, social and governance' (ESG) issues.

Henderson's Responsible Investment Policy (on equities) sets out its approach to corporate governance and corporate responsibility for all the companies in which Henderson invest, and its policy on proxy voting.

In addition to responsible investment, Henderson provides a range of specialist Sustainable and Responsible Investment (SRI) funds.

Property

Besides that they have a specialised policy for investment in property and for property development.²⁷

- Instrument to implement SRI**
- Application of ESG-criteria in the investment selection process
 - Engagement
 - Voting
 - Exclusion list
 - Financing of projects or companies with high sustainability relevance

The instruments mentioned above are available for all of Henderson's fund managers, although the SRI team will make more extensive and proactive use of them than other team.

Within the SRI team:

- All investments undergo an ESG analysis before they can be considered 'approvable' for investment purposes. The ESG analysis involved reviewing two aspects of a company: 1) the business sustainability of their business e.g. whether they respond to environmental or social challenges

(our Industries of the Future strategy), and 2) the way they conduct their business operations e.g. the corporate responsibility. Some funds invest 100% in Industries of the Future, whilst others, have a percentage in this strategy, and the rest in companies in traditional sectors but are deemed to have acceptable levels of corporate responsibility practice

- All funds have some element of exclusions, either in terms of a company’s products or services, or in terms of how they conduct their business (e.g. their corporate responsibility)
- All funds have some element of engagement - whether company or strategic (in terms of public policy)
- All funds will vote their shares as appropriate

The SRI team analyses information provided by companies themselves, uses services and relevant information of specialist research providers, brokers’ analysts, environmental organisations, trades unions and government agencies. The insights gained from this engagement are fed into the investment decision-making process.

The insight and intelligence from the SRI team feeds into Henderson’s non-SRI equity investment decision-making as appropriate.

Henderson exercises voting rights on behalf of clients at meetings of all UK companies in which we have a holding and outside the UK Henderson votes on behalf of certain clients and in priority cases.

Reporting

Equities

General

- detailed voting reports;
- Henderson also has available an Online Client Reporting tool for institutional clients.

SRI

Henderson reports regularly to its clients and other key stakeholders on a regular basis through a variety of channels, including:

- Reports on the annual Carbon Audits of its funds;
- bi-annual disclosure of the full portfolio holdings of the funds;
- an Independent Advisory Committee to provide policy advice on existing and emerging social, environmental and ethical issues;
- special reports on certain themes and sectors;
- bi-annual newsletters and monthly e-bulletins sent to clients; and
- a dedicated website.

Property

- PRs
- Reports e.g. ‘market views’ updates

External asset managers

All of Henderson’s funds are managed in-house, except direct property in the US. This represents a very small fraction of Henderson’s AUM. Henderson does buy in third-party information services to complement its internal efforts.

Services based on pension funds’ SRI policy and preferences

- Investment selection based on ESG-criteria selected by the customer.
- Voting (advice) based on ESG-criteria selected by the customer
- Engagement with companies and countries in which the customer invests, based on ESG criteria selected by the customer
- Drafting of a list of excluded companies and countries, based on ESG criteria selected by the customer

- Selection of projects and funds with very high sustainability relevance, based on ESG criteria selected by the customer

Minimum asset volume requirement

There is no rigorously enforced minimum asset level for new clients, as we offer a variety of agreements. However, generally speaking, we could consider a mandate of £50m a base level for a client wanting to open a new segregated account. For the institutional class of the pooled funds, a minimum of EURO 1m or local currency equivalent would apply. Henderson has a flexible approach to the services and charging as each client is treated in an individual basis, and decisions made on a case-by-case basis.

12. Hermes

General

Hermes Fund Managers Limited (“Hermes”) is the holding company of the Hermes group. Hermes, wholly owned by the British Telecom Pension Scheme (“BTPS”), is a multi-boutique asset manager, independent of any broader financial services organisation. Hermes currently has 205 clients and £31billion assets under management, including:

- Equities (13.5%);
- Fixed income (38.4%);
- Real Estate (24.6%);
- Alternatives (11.2%); and
- Uncommitted cash (12.3%).

At the beginning of 2008 Hermes split its two main areas of activities into two businesses:

- Hermes Investment Management Ltd (HIML), the asset management branch;
- and Hermes Pension Fund Management Ltd (HPFM), the pension fund management branch.

HIML will build on the existing product suite as multi-specialist asset manager, but also develop a more significant third-party business, beyond our owner, BTPS. HPFM will focus on delivering best-in-class services to BTPS going forward - in scheme governance, asset liability modelling, asset allocation, risk management and manager selection.

In addition to this Hermes has developed an equity overlay service “Equity Ownership Services” Limited (EOS). Hermes currently has some 26 EOS clients with externally managed assets (as at 31 December 2008).²⁸

Services

- Asset management
- Engagement and proxy voting

Hermes offers a wide range of products for asset management, which include ESG criteria in their investment process.

Hermes Equity Ownership Services offers engagement and proxy voting services. EOS is a pioneering advisory service, which enables its clients to be responsible investors and owners of companies.

Policy on SRI

Hermes has a policy set out in the Hermes Principles. Hermes is very explicit about its expectations of companies, which include financial, strategic, social, environmental and ethical disciplines.

Besides that Hermes has more specific guidelines, the Hermes Corporate Governance Principles (HCGP), which describe the governance structures that are likely to create value.

Hermes has integrated its principles on responsible investing into its Real Estate portfolios and is leading on the Responsible Property Investment initiative.

The policy covers equity and fixed-income securities.

Instrument to implement SRI

- Engagement
- Voting

Hermes uses voting and engagement with companies in which its clients are invested as through its Equity Ownership Service. It is an integrated solution across all the elements of committed share-ownership, and does not normally separate its engagement services from its voting services.

Proposals for engagement will usually involve the Hermes Principles or other criteria EOS will have established with its clients in advance. EOS engages with companies in all jurisdictions worldwide in which its clients invest. Engagements are considered relative to a screening process that assesses the financial and ESG record of the company. Hermes' evaluation of a company's record is based on numerous sources, including information provided by the company.

The precise interactions for engagement will depend on the issues and the company concerned. More intensive engagements typically last for two to three years. Hermes aims to be honest and open with companies about the nature of the discussions and will seek to keep such discussions private while they are proving constructive, or until the engagement is complete.

Were EOS considers voting against a resolution it will contact the company to discuss the matter, and seek to modify the company's position on the motion. When this approach is not successful, EOS will recommend a vote against and inform the company about it. EOS currently votes on all resolutions at more than 8000 companies on its clients' behalf.

Hermes EOS does not make exclusion recommendations. However its clients may choose to exclude companies based on EOS' reports of engagement activity.

Reporting

Hermes EOS reports to its clients on all its voting, engagement or investment activities:

- a daily e-mail notification of votes cast
- a weekly newsletter
- quarterly reports covering all of our activities on behalf of our clients

Hermes is able to support public disclosure of report of tailor additional reports on client's request. Clients are also able to access an internet-based voting platform allowing them to monitor directly votes cast by EOS on their behalf or elect to change vote decisions themselves.

Hermes itself does not provide a public overview of investments, and only produces an annual report on Responsible Property Investment.

External asset managers

Hermes does not outsource any of its asset management or SRI activities to external asset managers.

Services based on pension funds' SRI policy and preferences

- Voting (advice) based on ESG-criteria selected by the customer
- Engagement with companies and countries in which the customer invests, based on ESG criteria selected by the customer
- Advice and support related to the drafting of a SRI policy by the pension fund

For any new EOS clients, a discussion of the Hermes Principles and how they relate to clients' needs will be a starting point in developing their voting policy and guidelines. EOS can assist Dutch pension funds in developing a customised voting policy. In particular to help develop solutions to difficult problems such as:

- How to respond to different national governance practices;
- How "comply or explain" guidelines should be used;
- How to address corporate actions which will be of interest to fund; managers; and
- How to deal with stock on loan.

Minimum asset volume requirement EOS allows like-minded long-term investors to collaborate and undertake active share-ownership activities in an efficient and cost-effective way. EOS does not request a minimum asset volume from clients subscribing to its equity ownership service. Fees are based on the value of equities under advice. All EOS clients receive the same level and quality of services regardless of the value of the assets covered by the service.

13. ING Investment Management Europe

General

ING is a global financial services company providing banking, investments, life insurance and retirement services. Worldwide ING manages assets of € 551.3 billion, of which € 154.1 billion are proprietary assets (31/12/2008).²⁹

Services

- Advice on the ALM
- Advice on portfolio management
- Risk management
- Manager selection
- Monitoring
- Integrated reports
- Full fiduciary management
- Fiduciary management on a consultancy base
- Asset management
- Proxy voting

Policy on SR Corporate responsibility is a fundamental part of ING's strategy: ethical, social and environmental factors play an integral role in its business decisions. Companies with good corporate governance, which are transparent to their shareholders and stakeholders, are likely to perform better in the long run.

Following the best practices set in the Dutch Corporate Governance Code, ING Group published its own Global Voting Policy for all asset managers within ING Group. Besides that, ING IM follows the Corporate Responsibility Policies of ING Group.

ING IM is a signatory of UN PRI.

These policies are applied to all asset classes and special ESG-criteria are applied to the ING SRI funds.

Instrument to implement SRI

- Application of ESG-criteria in the investment selection process
- Engagement
- Voting
- Exclusion list
- Financing of projects or companies with high sustainability relevance

The following ESG-criteria are part of the investment process and decisions:

Environment: controversies on pollution (soil, water, eco systems) and climate change (use of

renewable energy, policy on CO2 reduction);

- Social: bribery/corruption, human rights, health & safety;
- Governance: one share one vote, separate position chairman and CEO, independent board of directors.

Institutional Shareholder Services (ISS) supports ING IM in carrying out proxy voting. ING Investment Management Europe makes a clear distinction between Proprietary and Client Assets, and that also applies to exercising voting rights. As a result, ING IM may vote differently on a single issue for Proprietary Assets and for Client Assets respectively.

Clients have the possibility to change vote decisions themselves.

The exclusion list based on ING's Defence Policy, counts only for its proprietary assets. Clients have the possibility to exclude investments by investing in the sustainable funds that ING IM offers or using the screening service of ING IM.

Likewise, engagement is carried out at companies within the SRI funds and sometimes for ING's proprietary assets.

Reporting	The annual sustainability report provides partly information on instruments and SRI. ING IM provides an overview of investment in the Sustainable Funds. ING IM reports to clients on a regular base. Clients can monitor how ING IM Europe votes on their behalf by consulting the regular updates published in the web based database of ISS.
External asset managers	ING IM does not outsource asset management to external asset managers. On the gathering of information for company records on ESG it is assisted by the SiRi Company and proxy voting is carried out by ISS.
Services based on pension funds' SRI policy and preferences	ING IM does offer: - Voting (advice) based on ESG-criteria selected by the customer
Minimum asset volume requirement	We did not find information on the minimum asset volume requirements nor on the possibility for pooling assets.

14. Insinger de Beaufort AM

General

Since 1995, Bank Insinger de Beaufort has offered through its asset management division, Insinger de Beaufort Asset Management NV ("IdB Asset Management") a range of investment products focusing on retail, private and institutional clients. The group specializes in the areas of Manager Selection with a special focus on the selection of hedge fund managers and Socially Responsible Investments (SRI) managers.

On August 1st, 2008, Insinger de Beaufort announced to have concluded a strategic partnership with BNP Paribas Private Bank/Nachenius Tjeenk. This partnership will create a leading Anglo-Dutch wealth manager that manages over € 10 billion of client assets.³⁰

Services	- Advice on portfolio management - Risk management - Manager selection - Monitoring
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- Integrated reports
- Full fiduciary management
- Asset management

IdB has Principles of Fund Governance (on the website), the Code of Business Conduct and other internal policies in which professional and ethical behaviour of the staff of IdB Asset Management is recognized, valued and promoted.

Recently IdB introduced a Sustainable Values Fund but SRI is not part of the investment process in general.

Instrument to implement SRI IdB does not implement SRI instruments.

Reporting IdB reports to its clients on a regularly base.
The Annual Report 2007 does not include activities related to SRI.

External asset managers IdB does outsource asset management, also on behalf of third parties. There is no overview of external asset managers on the website.

Services based on pension funds' SRI policy and preferences IdB AM does not provide SRI services.
Recently, IdB constructed a so called Sustainable Values Fund, a portfolio with experienced fund managers on SRI. The fund uses both positive as negative screening for the investment process. An important tool is manager selection, IdB selects only experienced fund managers.

Minimum asset volume requirement Unknown.

15. Kempen Capital Management

General

Kempen Capital Management (KCM) is 100% subsidiary of Kempen & Co. Kempen & Co was established in 1903 and is a Dutch merchant bank, which provides financial services in asset management, securities brokerage and corporate finance. Kempen & Co is a fully owned subsidiary of F. Van Lanschot Bankiers N.V. ('Van Lanschot').³¹

Services

- Consultancy to the direction / board
- Advice on the ALM
- Advice on portfolio management
- Risk management
- Manager selection
- Monitoring
- Integrated reports
- Full fiduciary management
- Asset management

Policy on SRI Kempen Capital Management bases its SRI policy on the UN PRI, which means that they add substantial attention for ESG issues to the regular investment strategy aimed at reaching predetermined risk/return goals. KCM focuses on engagement. The SRI policy is currently applicable

on shares. KCM is currently looking into applying the policy to other asset classes.

Instrument to implement SRI	- Application of ESG-criteria in the investment selection process - Engagement - Exclusion list
Reporting	KCM reports to its clients on the progress made regarding SRI.
External asset managers	KCM cooperates with an engagement manager, GES Investment Services. Not all assets are managed internally. KCM has a multi-management team that conducts a rigorous process to select external asset managers for managing assets based on the wishes/needs of our clients.
Services based on pension funds' SRI policy and preferences	- Advice and support related to the drafting of a SRI policy by the pension fund - Selection of external asset managers based on ESG-criteria selected by the customer and KCM - Engagement with external fund managers, companies and countries in which the customer invests, based on ESG criteria selected by the customer - Drafting of a list of excluded companies and countries, based on ESG criteria selected by the customer and KCM.
Minimum asset volume requirement	There is no explicit minimum level of asset volume that we require however please bear in mind that for operational effectiveness and efficiency a certain asset volume is beneficial.

16. Mn Services

General

Mn Services is an independent organisation, administering pensions and insurance, supporting pension fund managers and managing institutional assets. With 650 employees, they currently administer the pensions of more than a million people in the Netherlands, and Mn Services manages assets of € 65 billion (August 2008) for an increasing number of clients.³²

Services	- Consultancy to the direction / board - Pension fund management/administration - Advice on the ALM - Advice on portfolio management - Risk management - Manager selection - Monitoring - Integrated reports - Full fiduciary management - Fiduciary management on a consultancy base - Asset management - Proxy voting
Policy on SRI	The SRI policy of MN Services contains 8 principles for 'sustainable shareholder return'. These are based on international treaties and conventions such as UNPRI and the OECD guidelines - Business strategy - Human rights

- Corporate governance
- Labour standards
- Environment
- Anti-corruption
- Investment nexus
- Disclosure

Currently the policy applies to equities, hedge funds and real estate. Integration into other asset classes is under construction.

The policy is at the moment only in limited form available on the website, MN Services hopes to expand the information in the near future.

Instrument to - Application of ESG-criteria in the investment selection process

- implement SRI**
- Engagement
 - Voting
 - Exclusion list
 - Financing of projects or companies with high sustainability relevance

Reporting Currently MN Services provides information on the website on exclusion policy (no criteria and companies), policies concerning voting and engagement policies. This part is under construction. Reporting to clients happens regularly.

External asset managers MN Services uses several external managers.
 All shares outside of Europe are externally managed. External managers cannot vote on shares, MN Services remains responsible for voting and engagement.
 Engagement is partly done by MN Services, part is done by Governance Platform (20 companies), 100 companies are done by F&C.
 ESG criteria are taken into account when selecting external managers.

- Services based on pension funds' SRI policy and preferences**
- Investment selection based on ESG-criteria selected by the customer.
 - Voting (advice) based on ESG-criteria selected by the customer
 - Engagement with companies and countries in which the customer invests, based on ESG criteria selected by the customer
 - Drafting of a list of excluded companies and countries, based on ESG criteria selected by the customer
 - Advice and support related to the drafting of a SRI policy by the pension fund
 - Selection of external asset managers based on ESG-criteria selected by the customer.

Minimum asset volume requirement No
 Most small funds join the pool, because it has financial advantages. Smaller funds could get a tailor made solution but it will get more expensive.

17. PGGM

General

As a cooperative, PGGM is a non-profit organisation that enables its members to derive maximum benefit from all its products and services. PGGM's main client is Pensioenfond's Zorg en Welzijn (PFZW). The total amount of assets managed (as of 31 December 2008) €71.5 billion (all PFZW). PGGM employs about 1000 people.

PGGM has recently introduced a range of products including incapacity, unemployment and term insurance and savings and investment products.³³

Services	<ul style="list-style-type: none"> - Consultancy to the direction / board - Pension fund management/administration - Advice on the ALM - Advice on portfolio management - Risk management - Manager selection - Monitoring - Integrated reports - Full fiduciary management - Asset management` - Proxy voting
Policy on SRI	<p>Sustainability is part of the investment philosophy of PGGM. The policy covers ESG criteria, especially focused on themes like armament, human rights, health, corporate governance and climate change, is available on the website and applied to all asset classes.</p> <p>PGGM signed the UN PRI and the Enhanced Analytics Initiative.</p>
Instrument to implement SRI	<ul style="list-style-type: none"> - Application of ESG-criteria in the investment selection process - Engagement - Voting - Exclusion list - Financing of projects or companies with high sustainability relevance <p>Engagement with companies outside the Netherlands is provided via the Responsible Engagement Overlay (REO) programme of F&C Asset Management, via activities upon special request, and by PGGM itself. Within the Netherlands PGGM takes care of the engagement programme itself. The exclusion list of PGGM covers both companies and countries.</p>
Reporting	<p>Formerly the Responsible Investment report was made by PFZW but starting in 2009, PGGM will publish its own Responsible Investment report (over 2008).</p> <p>PGGM reports on a quarterly basis about its voting and engagement (the REO report is translated into Dutch) activities. PGGM uses a voting disclosure system which is open to the public.</p> <p>PGGM enables its clients to publish their holdings (direct and indirect) annually.</p>
External asset managers	<p>PGGM either invests in house or uses asset managers to invest on its behalf.</p> <p>PGGM enables its clients to publish the names of its direct and indirect asset managers (link to clients' website can be made available).</p>
Services based on pension funds' SRI policy and preferences	<ul style="list-style-type: none"> - Investment selection based on ESG-criteria selected by the customer. <p>All other services for pension funds can only be based on PGGM ESG criteria, and these are based on dialogue with clients of PGGM. For example on exclusions, PGGM draws up a list of quoted companies in which the client chooses not to invest. This list, which the client may decide to publish, reflects the judgment made on the involvement of the companies concerned in the activities defined in the client's exclusions policy, but is based on careful analysis according to PGGM ESG criteria.</p> <p>The Responsible Investment report of main client PFZW is the best proof of the activities mentioned above.</p>
Minimum asset volume requirement	<p>PGGM does not require a minimum asset volume for clients within the healthcare and social work sector.</p>

18. Pictet AM

General

The Pictet Group is an asset management specialist focusing mainly on the following areas of expertise: Private Banking, Institutional Asset Management, Fund Administration and Management, Global Custody & Investor Services, Family Office, and Services for Independent Asset Managers. The Group employs over 2,900 people.

Pictet Asset Management is the institutional division of the Pictet Group. Pictet AM manages around € 77.6 billion (as at 30 September 2008), including:

- Emerging Markets (11%);
- Developed Markets (13%);
- Fixed Income (33%);
- Absolute Return (4%);
- Swiss Balanced (5%); and
- Quants including SRI (14%).

- Services**
- Full fiduciary management (asset management is fully in the hands of the fiduciary)
 - Asset management
 - Proxy voting

Proxy voting services are provided through Ethos, Swiss Foundation for Sustainable Development, in Geneva.

- Policy on SRI** Pictet AM does not have a 'formulated policy' on sustainability, but has been involved in SRI-related investment since more than a decade. The basic values and activities in the sustainable domain are discussed in a sustainability brochure and complementary information, such as research papers, can be found on the website. As a signatory of UNPRI and member of EUROSIF Pictet AM adheres to the general SRI-related policies of those organisations. Pictet AM is also a signatory of the Carbon Disclosure Project.

The 'SRI policy' does not apply to assets managed on behalf of third parties and only to specially constructed sustainable funds of Pictet AM. It manages sustainable equities, sustainable bonds and mixed SRI portfolios and also manages theme portfolios with a clear sustainable edge.

Pictet Asset Management manages a total SRI assets of € 1.2 billion. Over € 200 million are managed within Pictet Mutual funds and about €1 billion are managed as segregated accounts for institutional clients.

- Instrument to implement SRI**
- Application of ESG-criteria in the investment selection process
 - Engagement
 - Voting
 - Exclusion list

Pictet AM has developed broadly diversified SRI portfolios and has a thematic approach, which focuses on themes and sectors with a strong sustainability element. Pictet AM uses a "best in class" approach that draws on externally sourced environmental and social ratings, and constructs portfolios so as to optimise the balance of sustainability against risk. Pictet AM further prefers to do positive screening by selecting companies with high sustainability ratings rather than make global exclusions or apply negative screenings. For those investors that do not want to be associated with certain industry sectors (f.e. weapons, tobacco), Pictet AM developed the Security fund, which routinely applies exclusion criteria and filters for certain controversial acti-

vities. SiRi Company provides this special screening service to Pictet AM.

Drawing on the extensive analytical resources of the SiRi global network of SRI research houses, for each investment candidate Pictet calculates an overall sustainability rating, using standardized scores for over 150 environmental and social criteria. Besides this 'sustainable standard' analysis Pictet employs a proprietary overlay called 'sustainable impact' analysis. This will be used to create two sustainable portfolios, which will be optimized against the 'Pictet Sustainable Efficient Frontier' and combined with a conventional, actively managed representative portfolio, which has its own country, sector and stock tilts. The resultant portfolio has a significantly higher sustainability rating than the benchmark; has the potential to add value against the benchmark; and its risk against the benchmark is strictly controlled. SRI exclusions and constraints of clients can be incorporated in the process.

Reporting	No reporting on website.
External asset managers	Pictet AM outsources the SRI-specific data gathering to Swiss based Centre Info and their international network as well as active voting-related activities to the Geneva based Ethos foundation. Asset management is our core competence and is done 100% in-house.
Services based on pension funds' SRI policy and preferences	- Investment selection based on ESG-criteria selected by the customer. This is only possible in combination with asset management. Pictet Asset Management is a pure asset manager. The SRI expertise is an integral part of our proprietary SRI portfolio management process and can therefore not be separately offered to clients. Most of the services like engagement and voting can be bought by our partners/providers in this area (Centre Info, Ethos).
Minimum asset volume requirement	The minimum asset volume is €25 million for a European Mandate, depending on investment universe, specific ESG criteria and preferences. Customers that bring a smaller asset volume under management can invest in Pictet's mutual funds (PF(LUX)-European Sustainable Equities) and will thus profit from the same investment approach (however without being able to reflect their own specific ESG criteria or preferences). Pension funds can also pool their assets. Pictet's partner Ethos is pooling assets of a number of Swiss pension funds. Behind Ethos stand over 70 small and larger Swiss pension funds who have pooled their money in order to pursue a credible and efficient sustainable investment strategy. Pictet Asset Management manages all institutional SRI funds of Ethos. ³⁴

19. Robeco

General

Robeco was established in Rotterdam (the Netherlands) in 1929. It has € 111 billion in assets under management (at 31 December 2008). It offers investment products and services to institutional and private investors worldwide. The product range encompasses equity and fixed-income investments, money market and real estate funds and alternative investments, including private equity, hedge funds and structured products.³⁵

Services

- Asset management
- Fiduciary management
- Proxy voting
- Engagement Services
- Consultancy to the direction/board
- Advice on the ALM
- Advice on portfolio management
- Manager selection

Policy on SRI

The Environmental and Social Responsible policy is available on its website: Robeco aspires to reduce its own impact on the environment as much as possible. Besides reducing the amount of energy and paper consumed, Robeco also uses energy that is 100% green and paper that is FSC certified. Robeco's products and services also demonstrate this corporate social responsibility. Robeco has an indirect influence on society and the environment through its investments, its financing of companies and its active approach to investing. Therefore social responsible investing is becoming more and more part of its general investment strategies.

Sustainable investment products are products that exclusively invest in sustainable companies or funds (special selected sustainable companies and projects by positive screening using ESG-criteria). Robeco offers these kinds of products in the equities, credits and private-equity categories. Robeco gained a controlling interest in SAM Group at the beginning of 2007. With this Swiss asset manager, Robeco has acquired a leading center of knowledge for sustainable investment with a strong reputation. SAM Group is mainly known for its successful water, energy and climate funds.

Instrument to implement SRI

- Application of ESG criteria in the investment selection process: ESG criteria are an integrated part of the valuation method used in the equity selection process of Robeco strategies managed by SAM and within its own flagship strategy Emerging Markets Equities;
- Engagement: Robeco actively engages in dialogues about corporate governance and social responsibility with the companies in which it invests;
- Voting: Robeco aspires to exercise its voting right on stocks in the portfolios of its investment funds throughout the world;
- Exclusion list: Exclusions are used in Robeco Duurzaam Aandelenfonds and it is possible to look into desired exclusion lists by clients' specific wishes.

Reporting

Robeco has information on its policy and activities regarding governance and sustainability available on the website.

External asset managers

Robeco does not outsource part of the asset management of activities related to SRI. Robeco does white label some products where other parties outsource part of their asset management duties with respect to SRI to SAM.

Services based on pension funds' SRI policy and preferences	<p>Robeco offers services to pension funds, based upon their own SRI policy and preferences:</p> <ul style="list-style-type: none"> - Voting (advice) based on ESG-criteria selected by the customer - Engagement based on ESG-criteria selected by the customer - Drafting of a list of excluded companies and countries, based on ESG criteria selected by the customer <p>Creating a tailored mandate the preferred services can be selected and customized according to clients needs and values. Voting and engagement is also possible for clients without a portfolio at Robeco as an overlay service.</p>
Minimum asset volume requirement	<p>The minimum size for a tailored mandate would be at least 50 million euro.</p> <p>Robeco offers a complete product line from core enhanced and active products to theme funds that could help the pension fund to implement sustainable products in their portfolio.</p> <p>Funds with a smaller asset volume are advised to participate in Robeco's funds, in which engagement and voting is included.</p>

20. Russell Investments

General

Russell is a global financial services company with clients in over 44 countries. Russell provides investment solutions directly to over 2,800 institutional clients, including pension funds, charities, foundations, banks and other financial services companies. Russell advises many of the world's largest companies on the investment of their pension fund assets, representing more than €2 trillion in assets.³⁶

Services	<p>Russell offers the following services:</p> <ul style="list-style-type: none"> - Consultancy to the directors / investment committees / boards - Advice on the ALM - Advice on portfolio management - Manager selection - Monitoring - Integrated reports - Full fiduciary management - Fiduciary management on a consultancy basis - Asset management (on the basis of external managers) - Proxy voting (executed by third party) - Overlay services and transition management
Policy on SRI	<p>Russell's Executive Board have in principle agreed to sign up to the UN Principles for Responsible Investment. Currently, Russell is investigating the impact on its business. They expect that they "can not guarantee all of the managers we will use will have signed up to the Principles, given the nature of our Manager of Managers business".</p>
Instrument to implement SRI	<p>Russell use the following principles:</p> <ul style="list-style-type: none"> - Voting (executed by third party) - Engagement (executed by third party, for segregated accounts only) - Exclusion list (on a limited basis, for segregated accounts only) - Financing of projects or companies with high sustainability relevance (e.g. climate change fund, Shariah funds)

Reporting	There is no public information available about investments, external asset managers or results of activities on corporate responsibility or SRI on Russell's corporate website.
External asset managers	All asset management is outsourced to external asset managers. Managers are not selected based on ESG criteria, neither on their SRI experience.
Services based on pension funds' SRI policy and preferences	Russell offers the following services to institutional investors: <ul style="list-style-type: none"> - Voting (advice) based on ESG-criteria selected by the customer (executed by third party, for segregated accounts only) - Engagement with companies and countries in which the customer invests, based on ESG criteria selected by the customer (executed by third party, for segregated accounts only) - Advice and support related to the drafting of a SRI policy by the pension fund (for segregated accounts only)
Minimum asset volume requirement	The minimum asset volume requirements and the possibility for pooling assets depend on several factors amongst others the asset classes involved and the size of the overall relationship.

21. SAM

General

Sustainable Asset Management (SAM) was founded in 1995 as an asset management company exclusively focused on sustainability investments. SAM has € 15.1 billion assets under management/advice (set date: December 31, 2008), and employs 90 people.

SAM has formed a strategic alliance with Robeco, a member of the Dutch Rabobank Group (AAA-rated by S&P), to establish the world's leading platform for sustainability investments in terms of product development, innovation, and distribution.³⁷

Services - Asset management

Pension funds can invest in the sustainable funds SAM has constructed.

SAM offers the 'SAM Corporate Sustainability Assessment' to companies in all industry sectors.

Policy on SRI SAM summarizes social responsible investing as follows: "Corporate Sustainability is a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments. By seizing the opportunities and effectively managing the risks, sustainable companies are able to enhance their competitive position and create shareholder value. Sustainability investing is an investment approach that enhances traditional valuation models by integrating extra-financial criteria which affect shareholder value."

SAM does not provide an overall policy document but instead refers to its criteria that are outlined in the sample questionnaire of the SAM corporate responsibility assessment, available on the website of the Dow Jones Sustainability Index (which is a cooperation of Dow Jones Indexes, STOXX Ltd and SAM Group).

Sustainability investing is applied to all asset classes in which SAM invests. The investments are made only for third parties.

- Instrument to implement SRI**
- Application of ESG-criteria in the investment selection process
 - Voting (together with Robeco)
 - Exclusion list (only for the Robeco Duurzaam Fund)
 - Financing of projects or companies with high sustainability relevance

For SAM's 'Sustainability Core' and 'Sustainability Core Active' strategies, SAM uses the so-called Sustainability Information Management System (SIMS), an internally developed database which contains the sustainability related data of more than 1000 companies. With this database investment universes for all standardized and customized products can be created, including the family of Sustainability Indexes, as well as detailed assessments, benchmarks, trend analysis and reports. The sustainability scores from SIMS are integrated into SAM's equity valuation model to determine the fair value of companies.

The selected companies in the portfolio are sustainability leaders (Sustainability Core strategies) or best in class companies within each sector (Sustainability Core Active strategies) with regard to the SAM Corporate Sustainability Analysis™.

Exclusions are used in the Robeco Duurzaam funds that is managed by SAM. Voting is also possible in combination with the expertise available at Robeco.

Reporting SAM reports on the implementation of services to pension funds. Information on the funds itself and the companies that are selected can be found on the website. SAM produces a yearbook where additional insight on the sustainability of companies is given, available at the website.

External asset managers SAM does not outsource its asset management. But it does white label some products where other parties outsource part of their asset management duties with respect to SRI to SAM.

Services based on pension funds' SRI policy and preferences

- Voting (advice) based on ESG-criteria selected by the customer
- Drafting of a list of excluded companies and countries, based on ESG criteria selected by the customer

SAM offers a complete product line of strategies, from core enhanced and active products to theme funds, that could help the pension fund to implement sustainable products in their portfolio. SAM strategies can be either wrapped in a fund or be placed a segregated account.

The ESG-criteria and the SRI-policy of the customer can only change the investments SAM makes for its client to a limited extent: "We strongly believe in the way we set up our ESG criteria and also get support for this from our peers, SAM was selected best asset manager in ESG at the Triple Bottom Line Investing (TBLI) Conference 2008. Although in theory we could adjust certain weights in our analysis based on customer demands, we will not accept a distortion of the criteria that we believe are relevant to look at."

Exclusion of companies is possible with the Robeco Duurzaam fund: no investments in the industry of weapons, nuclear energy, tobacco, gambling, fur and pornography.

Minimum asset volume requirement For SAM the minimum size is important to justify the resources. Depending on the total revenues SAM needs to be able to provide the services that come in servicing this mandate. This means a substantial amount of assets is needed to set up a segregated account, but other factors like visibility, growth potential and fee will also influence the possibilities.

When the sum is a pooled amount or comes from one individual client it only has some impact on operational issues.

In the funds there is no minimum size to participate.

22. SNS Asset Management

General

SNS Asset Management manages the assets for a range of SNS REAAL's considerable portfolios as well as the assets of institutional investors. These include pension funds, insurers, banks, social organisations, foundations, charities and religious institutions. In total, SNS Asset Management manages assets amounting to more than € 23 billion, where more than 85% of the assets are based on additional social, ethical and environmental criteria.³⁸

- Services**
- Advice on the ALM
 - Manager selection
 - Monitoring
 - Integrated reports
 - Fiduciary management on a consultancy base
 - Asset management
 - Proxy voting

- Policy on SRI** The fundamental principles of SNS AM's Responsible Investment (RI) policy are:
- Avoidance of the most serious and systematic human rights violations;
 - Avoidance of the most serious forms of child labour;
 - Avoidance of involvement in forced labour;
 - Avoidance of serious forms of corruption;
 - Avoidance of serious environmental pollution;
 - No involvement in the production of weapons systems of which the effects are disproportional, or that make no distinction between military and civil targets, and;
 - Respect for the generally accepted ethical fundamentals that apply to a humanitarian society.

The RI policy applies to both its own assets and to assets on behalf of third parties. It applies to Equity, Fixed Income, Real Estate and two Alternative strategies: microfinance and long /short equities. SNS AM hopes to be able to incorporate these principles also in other Alternative strategies. With respect to hedge fund investments they do not think this is currently possible, whereas Emerging Markets investments currently also raises some issues with regard to the availability of sufficient research input of high quality.

- Instrument to implement SRI**
- Application of ESG-criteria in the investment selection process
 - Engagement
 - Voting
 - Exclusion list
 - Financing of projects or companies with high sustainability relevance

For engagement and voting activities, Risk Metrics Group votes on behalf of SNS AM or starts engagement activities in accordance with the fundamental investment principles when applicable. Additional voting principles of SNS AM are:

- One share, one vote: all shareholders should have equal rights
- Transparency: the quality and reach of information needs to accommodate the possibility for getting proper insight and a grounded opinion
- Quality and remuneration of management: there needs to be proper criteria for the quality of the management and for the process of designation. Moreover, the remuneration should be reasonable in proportion to comparable executive functions. It should in accordance with the interests of other stakeholders

- Independent supervision and accountants: those responsible for overseeing the executive directors need to be independent.

The engagement process aims at changing company behaviour. SNS AM starts dialogue with companies that qualify as 'borderline case'. Letters, direct contact moments and shareholder meetings are used as means in this process. During the course of an engagement process, it is possible for the portfolio managers to hold positions in that specific stock.

Besides that, SNS AM operates an active European Equities RI portfolio. In this approach, MSCI Europe Standard companies are screened on ESG criteria. The ESG process aims to select companies that take the interests of all stakeholders into account.

1. The Environmental dimension consists of Environmental policy, Product creation, Product use and screening of suppliers.
2. The Social Dimension consists of Human Capital, Reporting, Third World.
3. The Governance dimension consists of Code of Conduct, Corporate Governance and Business Profile

The top 40% of best performing companies within each sector are selected for the investment universe of around 200 names that are used by the portfolio manager to construct the portfolio.

Reporting SNS AM reports its exclusions and engagement activities on the website. In addition, as a signatory to the UN PRI, SNS AM reports its progress in implementing the RI policies and practices on a yearly basis.

External asset managers SNS AM does outsource asset management, but only marginally because RI is the core philosophy. There are, however, a few exceptions to the rule. The active US Equities approach is currently being executed by an external manager. Alternative strategies, like the selection of our Microfinance investments, are outsourced to Developing World Markets and for long/short equities there is close cooperation with Climate Change Capital.

External asset managers will comply with the principles of SNS AM.

Besides that SNS AM has joint ventures with data providers or other service providers (e.g. RMG, Vigeo, KLD, Innovest, and GoodBankers).

Services based on pension funds' SRI policy and preferences

- Investment selection based on ESG-criteria selected by the customer.
- Advice and support related to the drafting of a SRI policy by the pension fund
- Selection of external asset managers based on ESG-criteria selected by the customer

In addition, SNS offers a high quality range of RI strategies in several asset categories. They can offer a professional Strategic Asset Allocation and Tactical Asset Allocation in a portfolio of RI strategies. Most of the strategies will be managed by SNS Asset Management, some of them by external asset managers. SNS AM will provide both standardised and tailor-made reports on these services.

Minimum asset volume requirement The minimum requirement is € 50 million. But the investments in the SNS Institutional Microfinance Fund and Climate Change Property Fund are smaller amounts and can therefore also be attractive to small pension funds.

Pooling assets is possible when one party (consultant or fiduciary manager) operates as proxy holder. Besides that, they should, of course, have the same wishes regarding their portfolio and reporting.

23. SPF Beheer

General

SPF Beheer is an independent full service provider in the fields of policy advice, pension administration and asset management. With assets of more than € 14 billion and a pension administration of 100,000 people from 90 affiliated employers, SPF Beheer is one of the larger operators in the area of collective pensions.³⁹

- Services**
- Consultancy to the direction / board
 - Pension fund management/administration
 - Advice on the ALM
 - Advice on portfolio management
 - Risk management
 - Manager selection
 - Monitoring
 - Integrated reports
 - Full fiduciary management
 - Fiduciary management on a consultancy base
 - Asset management
 - Proxy voting
- SPF is a full service pension manager.

Policy on SRI SPF Beheer bases its SRI policy on UN Global Compact and the UN PRI. SPF describes a number of specific themes as focal points for the policy and which methods can be used. The policy is fully developed for the equity class, other asset classes are being developed.

Instrument to implement SRI

- Application of ESG-criteria in the investment selection process
- Engagement
- Voting
- Exclusion list
- Financing of projects or companies with high sustainability relevance. SPF Beheer together with KIT 'Koninklijk Instituut voor de Tropen' developed first a project and later on a fund that directly invests and manages several projects in Africa.

Reporting SPF reports on its SRI policy on the website and its annual report

External asset managers Part of the portfolio is managed externally. The list of external asset managers is online available and updated quarterly.

Services based on pension funds' SRI policy and preferences

- Advice and support related to the drafting of a SRI policy by the pension fund
- Investment selection based on ESG-criteria selected by the customer. In equity, credits and direct real estate portfolios.
- Selection of external asset managers based on ESG-criteria selected by the customer. External managers have to comply with the ethical codes of SPF clients.
- Voting (advice) based on ESG-criteria selected by the customer
- Engagement with companies and countries in which the customer invests, based on ESG criteria selected by the customer
- Drafting of a list of excluded companies and countries, based on ESG criteria selected by the customer
- Selection of projects and funds with very high sustainability relevance, based on ESG criteria selected by the customer

Minimum asset volume requireme SPF Beheer regards itself as a company that is aiming at a modest client base and thus focused on delivering high quality tailor made services, while giving our clients the utmost quality of service and attention.

Minimum asset volume requirement SPF Beheer has some smaller, and some larger mandates from pension funds. Furthermore, they deliver also 'collegial services' to pension funds. In general, SPF Beheer can do a small piece of the pension-process or the total and most extensive process with respect to pensions. This also goes for ESG; the product will be as specific or as extensive as the client suits best.

24. State Street Global Advisors

General

State Street Global Advisors (SSgA) is an acknowledged leader in institutional investing with \$1.4 trillion in assets under management and 2,728 institutional clients. SSgA is the investment management arm of State Street Corporation, one of the world's largest custodians with \$12 trillion in assets under custody (as of 31 December 2008).⁴⁰

State Street Global Advisors and ABP, one of the world's largest pension funds, created a jointly owned subsidiary, State Street Global Alliance, LLC. Global Alliance seeks to invest in early stage, innovative asset management firms in an effort to generate private equity-like returns and increase the investment capabilities, alpha generation, and intellectual capital of its two shareholders, SSgA and ABP. As of December 31, 2008, Global Alliance maintains investments in eight portfolio companies with combined assets under management of \$18.1 billion.

- Services**
- Advice on the ALM
 - Advice on portfolio management
 - Risk management
 - Manager selection
 - Monitoring
 - Integrated reports
 - Full fiduciary management
 - Fiduciary management on a consultancy base
 - Asset management
 - Proxy voting

Policy on SRI State Street does have a corporate governance policy, binding for all its subsidiaries. SSgA does not have a policy document for SRI, because they invest only for third parties. SRI can be applied to client assets on request and based on clients' preferences.

Instrument to implement SRI SSgA uses the following instruments to carry out SRI services on clients assets:

- Application of ESG-criteria in the investment selection process
- Voting
- Engagement
- Advice on exclusion list

SSgA has more than a dozen pooled ESG vehicles and roughly 200 ESG separate accounts. Some of the separate accounts apply voting or an engagement overlay if client directs.

The SSgA Governance Team consists of four analysts whose main function is research, analysis, engagement, and make voting decisions. The Governance Team is accountable to the Proxy Review Committee which in turn is accountable to the Investment Committee.

Reporting SSgA reports to clients periodically. On the website is no public information available about investments, external asset managers or results of activities on corporate responsibility and SRI.

External asset managers SSgA does not outsource asset management to external asset managers.

Services based on pension funds' SRI policy and preferences SSgA works with clients to develop and execute their SRI activities and therefore offers a range of services to institutional investors:

- Investment selection based on ESG-criteria selected by the customer.
- Voting based on ESG-criteria selected by the customer
- Engagement with companies and countries in which the customer invests: selection of ESG criteria by the customer is only possible in a separate account (a reo® license), otherwise it is done centrally and focused on ensuring that corporate policies serve the best interests of all the company's investor-owners;
- Drafting of a list of excluded companies and countries, based on ESG criteria selected by the customer;
- Advice and support related to the drafting of a SRI policy by the pension fund.

Approximately \$ 60 billion (as of 31 December 2008) are socially screened assets. SSgA offers negative screens, positive screens, and best in class approaches as well as proxy voting and engagement. The underlying methods allows clients great flexibility to align their financial needs with their values. SSgA can work with its proxy vendor to implement custom client policies or apply the vendor's ESG policy to a clients separate account. Clients with separate accounts have the option of retaining the right to vote their own share.

SSgA can provide engagement services via reo®, Responsible Overlay Engagement through a licensing arrangement with F&C Asset Management. reo® currently covers the UK, European and US markets. It is available to clients who invest in SSgA index and enhanced strategies in separately managed accounts.

One of the research providers for the application of ESG-criteria to investment selection is Innovest Strategic Value Advisors, a SS Global Alliance company.

Minimum asset volume requirement SSgA does not require a minimum asset volume and offers the possibility for pooling assets, f.e. wrapped in specially constructed funds.

25. Syntus Achmea Vermogensbeheer

General

Syntus Achmea Vermogensbeheer is an asset manager operating mainly for pension funds. Their total asset under management is € 45 billion and as such belong to the top three of Dutch pension funds managers.⁴¹

Services

- Consultancy to the direction / board
- Pension fund management/administration (with State Street)
- Advice on the ALM

- Advice on portfolio management
- Manager selection
- Monitoring
- Integrated reports
- Proxy voting
- Full fiduciary management
- Fiduciary management on a consultancy base
- Asset management

Policy on SRI Syntrus Achmeas responsible investment policy takes the principles of the Global Compact of the United Nations as starting point. The policy further describes the combination of instruments used to implement the policy. These instruments relate to exclusion of companies that produce controversial weapons, engagement and corporate governance (including voting at shareholders meetings).

The policy applies mainly to the equity pools managed by Syntrus Achmea Vermogensbeheer. However, they intend to apply the policy also on the fixed income pools as of the beginning of 2009.

Instrument to implement SRI

- Application of ESG-criteria in the investment selection process - Syntrus Achmea Vermogensbeheer periodically screens its equity portfolios on controversies with the Global Compact of the United Nations. Companies that violate the principles of the Global Compact can be included in the engagement programme.
- Voting - Syntrus Achmea Vermogensbeheer actively makes use of its shareholders rights. This includes voting at shareholders meetings. Most voting is conducted via proxy voting.
- Engagement - Engagement activities are based on in depth theme research. Based on the findings companies will be approached and included in the engagement programme. The purpose of the engagement programme is to encourage companies to (a more) sustainable behaviour and to create shareholders value in the long term.
- Exclusion list - Syntrus Achmea Vermogensbeheer has decided that it no longer wishes to invest in companies that produce controversial weapons.

Reporting Syntrus Achmea Vermogensbeheer reports twice a year on its website on how the policy has been implemented. They only share an overview of investments made to our clients.

External asset managers Syntrus Achmea Vermogensbeheer also offers Financial Pension Management, which includes fiduciary management of external managers. Syntrus Achmea does not disclose the names of the external asset managers are and how much of the assets are managed externally. Depending on specific client's requests Syntrus Achmea Vermogensbeheer will also take SRI funds into account when selecting external asset managers.

Services based on pension funds' SRI policy and preferences

- Investment selection based on ESG-criteria selected by the customer.
- Voting (advice) based on ESG-criteria selected by the customer
- Engagement with companies and countries in which the customer invests, based on ESG criteria selected by the customer
- Drafting of a list of excluded companies and countries, based on ESG criteria selected by the customer
- Advice and support related to the drafting of a SRI policy by the pension fund
- Selection of external asset managers based on ESG-criteria selected by the customer
- Selection of projects and funds with very high sustainability relevance, based on ESG criteria selected by the customer

Minimum asset volume requirement No minimum asset volume required.

26. TKP Investments

General

TKP Investments BV is an asset manager that provides both the integral performance of all investment activities and the implementation of individual aspects (modules) for (currently) Dutch pension funds.

Services TKP Investments core business is the investment of the financial resources of these pension funds in accordance with the policy drawn up by these pension funds. In addition, TKP Investments also performs a number of important core-related activities, including the provision of specialist information and support to the management of these pension funds in relation to the investment policy to be pursued.⁴²

- Consultancy to the direction / board
- Pension fund management/administration
- Advice on the ALM
- Advice on portfolio management
- Risk management
- Manager selection
- Monitoring
- Integrated reports
- Full fiduciary management
- Fiduciary management on a consultancy base
- Asset management
- Proxy voting

More information is available on www.tkpinvestments.nl

Policy on SRI On their website TKPI states that they include ESG criteria in their investment policy. The companies TKP invests in are screened on sustainability issues periodically. In addition TKPI has an exclusion policy and active voting policy. This policy is applicable to all asset classes.

Instrument to implement SRI

- Application of ESG-criteria in the investment selection process - ESG criteria are taken into account by external managers as part of their regular risk/revenue assessment. There is an annual screening on all TKPs equity and fixed income holdings on compliance with the UN Global Compact.
- Engagement - For a selection of UN Global Compact non-compliant entities TKP has done engagement activities in 2008, a list with names is available on the website. Also, on behalf of clients, we participate in the Governance Platform that engages major European listed companies on ESG related issues.
- Voting - In 2008 we have voted on Dutch listed companies. In 2009 we have increased our scope to Europe. An exception is made for KPN, TNT and AEGON where we do not vote as a matter of principle.
- Exclusion list - Companies that are involved in the production of controversial weapons are excluded. The list with names of the excluded companies is based on the "Controversial Weapons Radar" as published by Sustainalytics. This list is published on our website and is updated annually.

Reporting TKP reports on SRI activities on its website.

External asset managers TKP out sources part of the research activities, engagement activities and the analysis for voting.

- Services based on pension funds' SRI policy and preferences**
- Advice and support related to the drafting of a SRI policy by the pension fund
 - Investment selection based on ESG-criteria selected by the customer for equities and fixed Income.
 - Selection of external asset managers based on ESG-criteria selected by the customer as fiduciary manager.
 - Voting (advice) based on ESG-criteria selected by the customer for a segregated account
 - Engagement with companies in which the customer invests, based on ESG criteria selected by the customer
 - Drafting of a list of excluded companies and countries, based on ESG criteria selected by the customer
 - Selection of projects and funds with very high sustainability relevance, based on ESG criteria selected by the customer

Minimum asset volume requirement All clients are welcome participating in any of our pooled multimanager funds for equities and fixed income. These funds follow the ESG approach that is described on our website.

In case the client wants to invest according to customised ESG criteria, we are able to service that. This will always be a case of starting a dialogue, we can not mention a minimum asset volume.



APPENDIX 2 Questionnaire

Questionnaire on socially responsible investing by asset managers active on the Dutch pension market

Dutch Association of Investors for Sustainable Development (VBDO), in cooperation with research consultancy Profundo

Castricum / Culemborg, 21 January 2009

The Dutch Association of Investors for Sustainable Development (Vereniging van Beleggers voor Duurzame Ontwikkeling or VBDO), in cooperation with research consultancy Profundo, is researching the socially responsible investing (SRI) services offered by asset managers active on the Dutch pension market. VBDO hopes to broaden the understanding of Dutch pension funds regarding the SRI services that asset managers can offer them and will therefore publish the results of this research in a publication targeted at Dutch pension funds.

We hope that you are willing to participate in this research project. We therefore kindly request you to fill in this questionnaire and send it back **before February the 4th**.

The questions relate to the services that your company offers to Dutch pension funds at present (January 2009) and to the activities you have undertaken the past year (2008).

1. Does your company offer one or more of the following services to Dutch pension funds?

- Consultancy to the direction / board
- Pension fund management/administration
- Advise on the ALM
- Advise on portfolio management
- Risk management
- Manager selection
- Monitoring
- Integrated reports
- Full fiduciary management (asset management is fully in the hands of the fiduciary)
- Fiduciary management on a consultancy base (asset management is (partly) in the hands of pension fund)
- Asset management
- Proxy voting

If yes:

- Do you have a document available at your website or can you send a document in which the services are described?

If no:

- Are you planning to offer one or more of the mentioned services in the near future?

2. Did your company formulate a policy on socially responsible investing?

If yes:

- Is a policy document available at your website or can you send a policy document in which the objectives, principles and used instruments are described?
- To which asset classes does this SRI policy apply?
- Does this policy also apply to assets managed on behalf of third parties? If so: to which categories?

If no:

- Are you planning to draft a SRI policy in the near future?

3. Does your company apply one or more of the following instruments to implement your SRI policy?

- Application of ESG-criteria in the investment selection process
- Engagement
- Voting
- Exclusion list
- Financing of projects or companies with high sustainability relevance

If yes:

- Can you give a description of the activities you undertake to apply these instruments?
- Do you have a document available at your website or can you send a document in which the instruments are described?

If no:

- Are you planning to apply one or more of the mentioned instruments in the near future?

4. Does your company report on the implementation of your SRI policy?

If yes:

- Do you have a report available at your website or can you send a report in which the activities with regard to SRI as well as the results are described?
- Do you have an overview available at your website or can you send a recent overview of all investments made for your own account and on behalf of third parties?

If no:

- Are you planning to report on the implementation of your SRI policy in the near future?

5. Does your company outsource part of your asset management and / or activities related to SRI to external asset managers?

If yes:

- Which part of your asset management and / or which activities does your company outsource to external asset managers?
- Do you have an overview available on your website or can you send an overview of the external asset managers you work with?
- Are these external asset managers committed to your SRI policy? If so: how?
- Does your company select external asset managers based on their SRI experience?

If no:

- Are you planning to outsource part of your asset management and / or activities related to SRI to external asset managers?

6. Does your company offer one or more of the following services to pension funds, based upon their own SRI policy and preferences?

- Advise and support related to the drafting of a SRI policy by the pension fund
- Investment selection based on ESG-criteria selected by the customer. If yes: for which asset classes is this possible?
- Selection of external asset managers based on ESG-criteria selected by the customer
- Voting (advice) based on ESG-criteria selected by the customer
- Engagement with companies and states in which the customer invests, based on ESG criteria selected by the customer
- Drafting of a list of excluded companies and states, based on ESG criteria selected by the customer

- Selection of projects and funds with a very high sustainability relevance, based on ESG criteria selected by the customer

If yes:

- Is a document available at your website or can you send a document in which the services are described?
- Does your company report on the implementation of these services to the customer?

If no:

- Are you planning to offer one or more of the mentioned services in the near future?

7. Does your company require a minimum asset volume to be brought under your management before offering the services mentioned in question 6?

If yes:

- What is the minimum asset volume a customer has to bring under your management to be able to use the services mentioned in question 6?
- Which services regarding SRI does your company offer to customers which bring a smaller asset volume under your management?
- Can pension funds pool their asset volumes to be able to use the services mentioned in question 6? If yes: can you give one or more examples and send information about the possibilities?

End of the questionnaire.

Thank you very much for filling in this questionnaire. Would you be so kind to send it with attachments to anne.vanlakerveld@vbdo.nl before 4 February 2009?

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