



# Long term perspective within KBC's Socially Responsible Investment (SRI) strategy

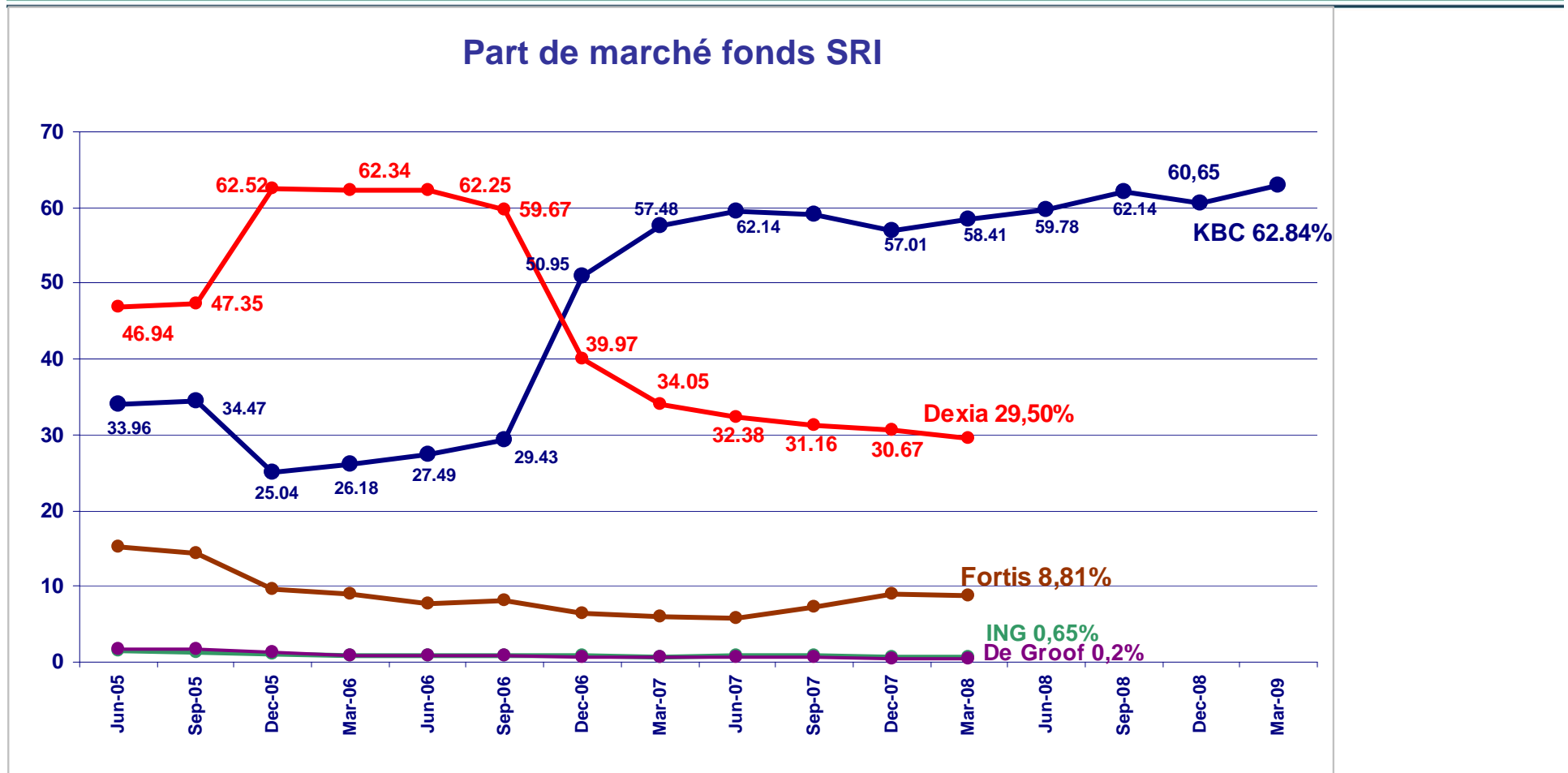
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SOCIALLY RESPONSIBLE  
INVESTMENT

# Evolution of the Belgian SRI market (all SRI products) since 1995



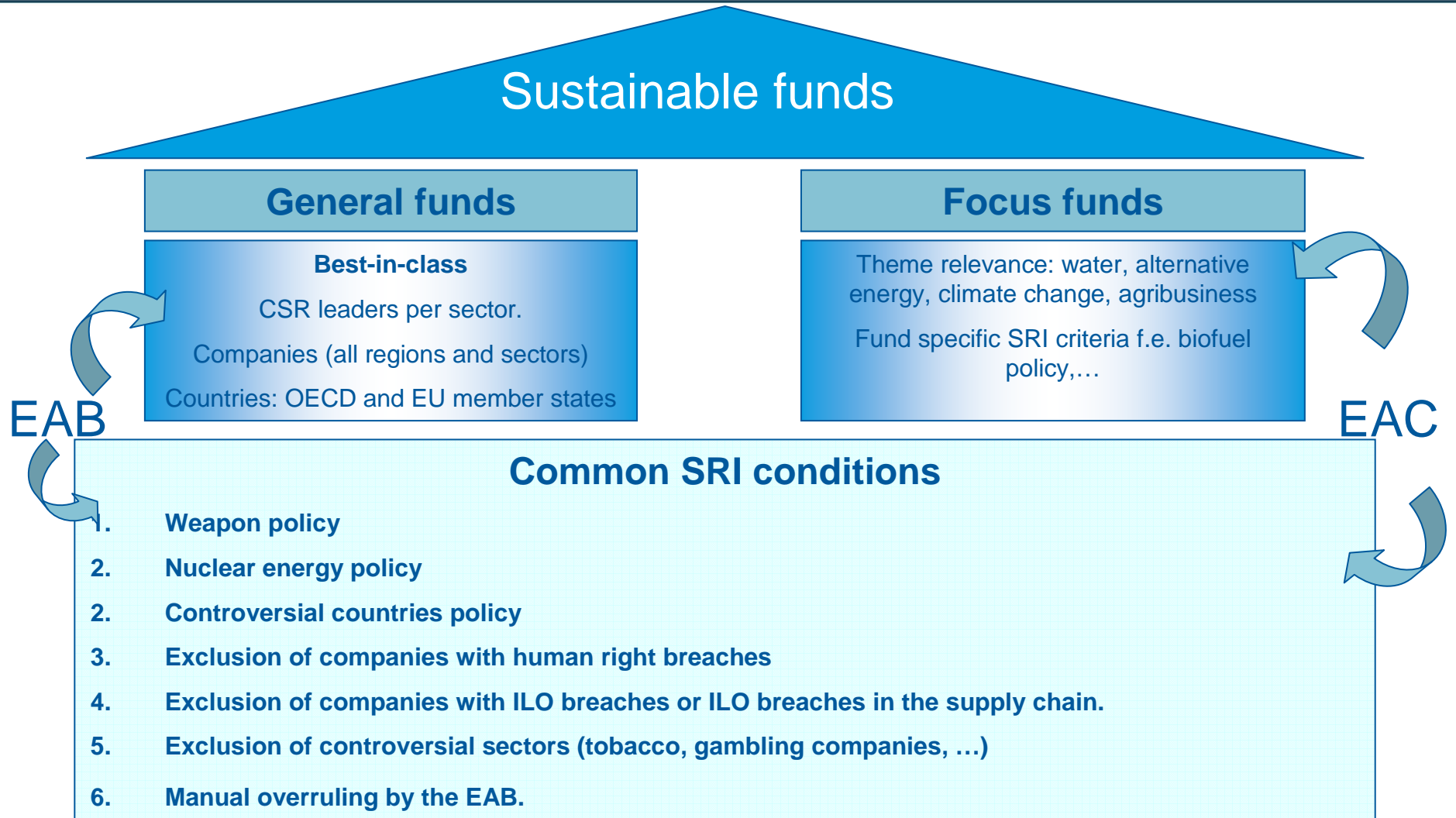
- SRI represents 9.38 billion euro – 91% in mutual funds
- 3 major players – KBC counts for 63% of the Belgian Market, managing worldwide € 7 bln in core SRI

# Our vision on SRI

- SRI =
  - a natural /logical continuation of
  - and lever for
  - corporate social responsibility (CSR)
- Our values:
  - Starting from a clear definition of CSR
  - Transparency is key
  - Independent sources of information
  - Clear distinction between SRI screening and fund/portfolio management
  - Supervised by external expert committees
- Our tools
  - Screening and selection
  - Voting and engagement
  - CSR-league for listed companies
- Win-Win-Win situation for:
  - The society in general
  - The involved companies
  - The investor



# Overview of our sustainable strategies



- EAB = External Advisory Board
- EAC = Environmental Advisory Committee

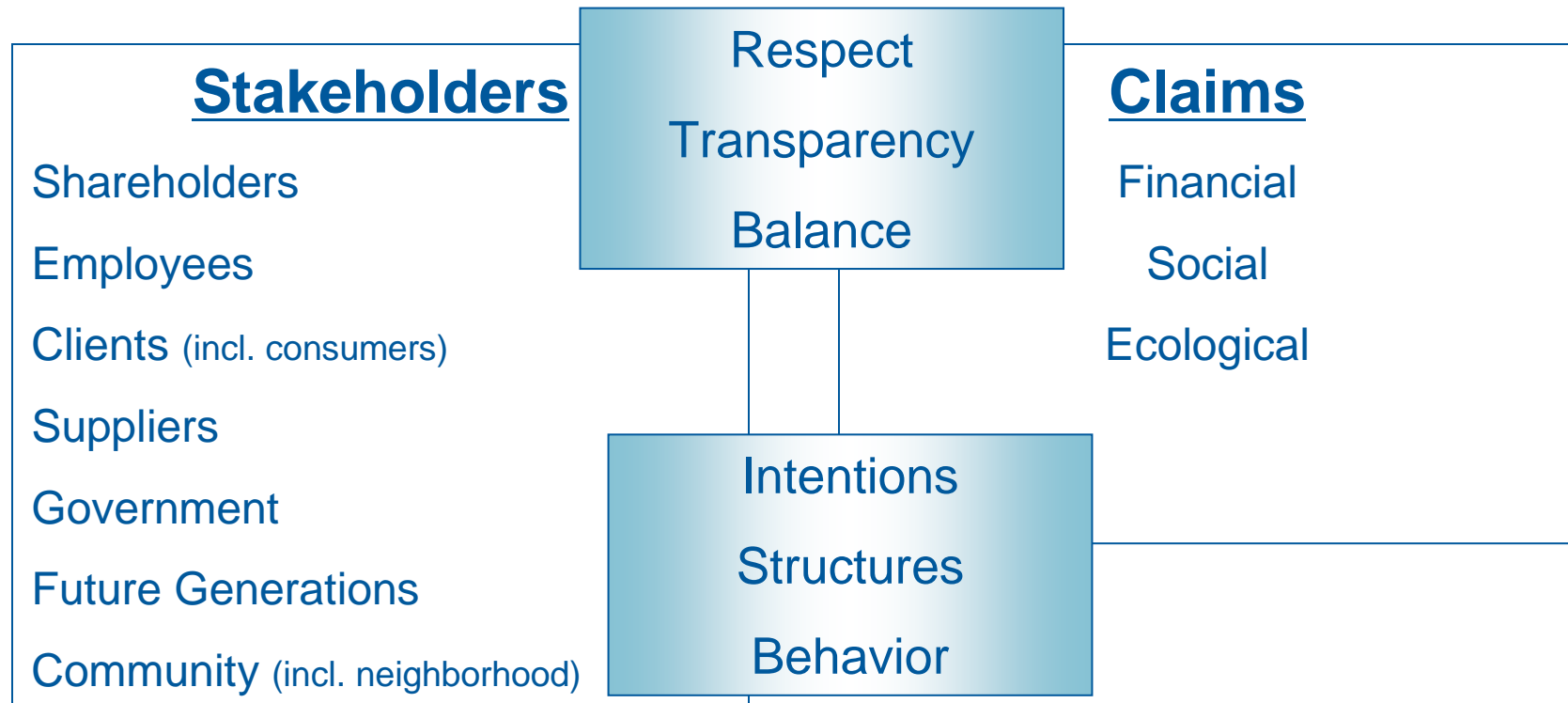
# What is CSR? And how to measure it ?

## The point of view of our External Board

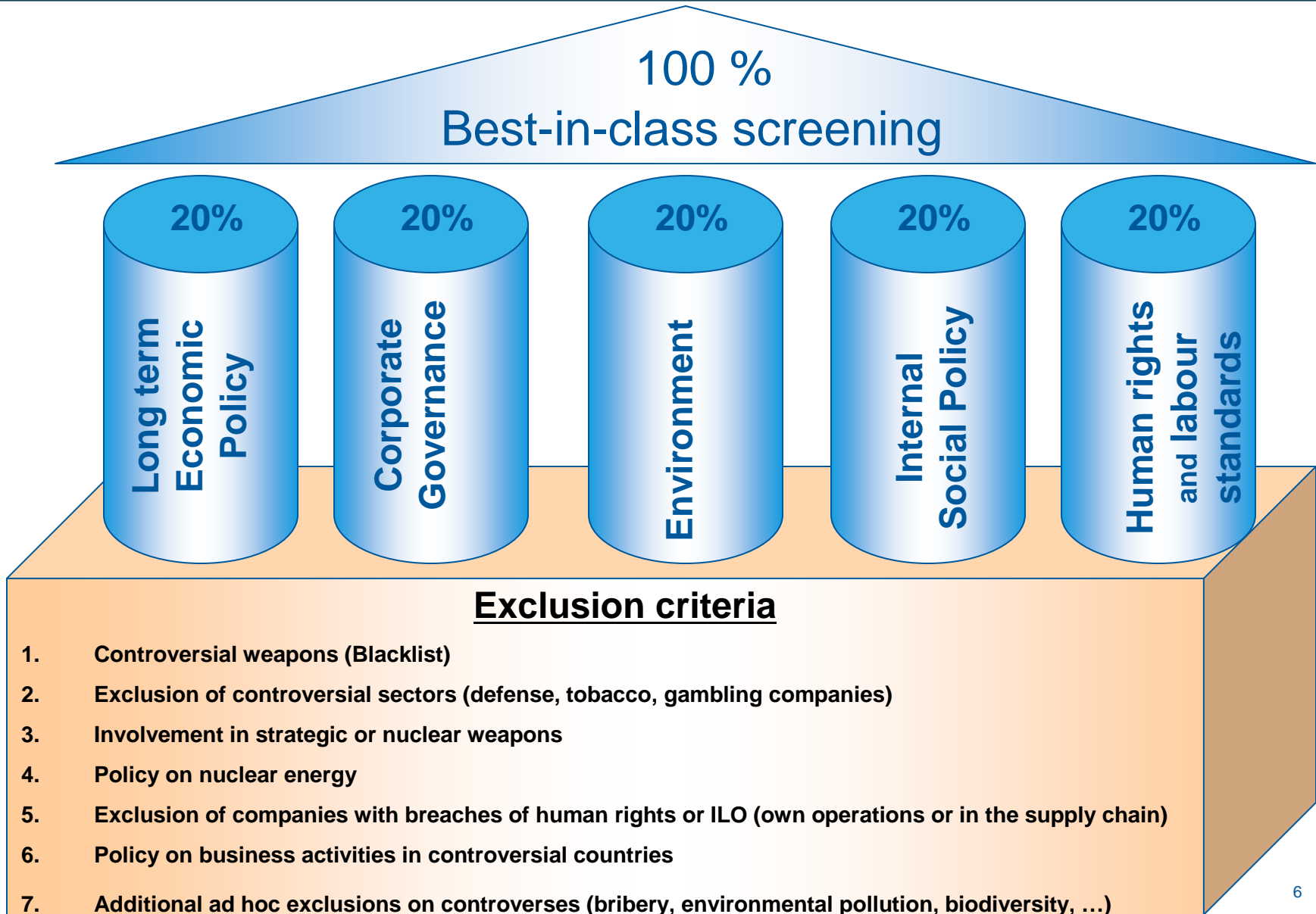
Starting point = stakeholders

Which claims are reasonable

How can a company demonstrates its moral quality



# Best-in-class screening



# Evaluation on 5 pillars

<b>long term economic policy</b>	Economic relations: customers and suppliers
	Innovation
	Integration of extra-financial elements in business activities
	CSR – Transparency and reporting
	Code of ethics
	Anti - competition controversies
	Controversies on Products and services

<b>Internal Social Policy</b>	Quality of employment
	Health and safety
	Training and development
	Diversity and equal opportunities
	Controversies on health and safety of workforce
	Controversies on diversity or equal opportunities

<b>Corporate governance</b>	Board of Directors: composition and working practices
	Remuneration of board and top management
	Shareholders' rights
	Anti - bribery and corruption: policy, systems and reporting
	Controversies on corporate governance

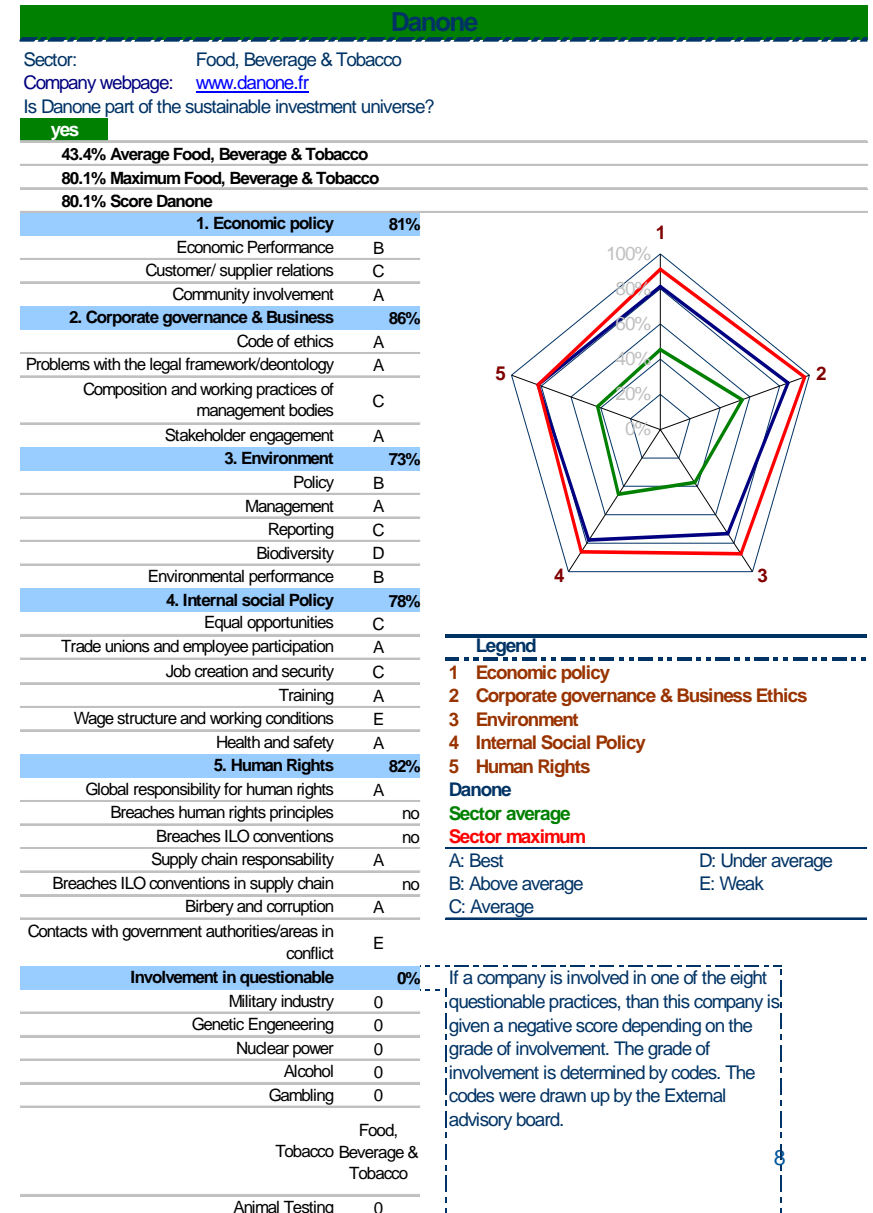
<b>Human rights and international labour standards</b>	Human rights and labour rights
	Public Health Controversies
	Breaches of human rights principles or ILO standards

<b>Environment</b>	Environmental policy
	Environmental systems
	Environmental reporting
	Environmental performance
	Environmental initiatives
	Eco-efficient products and services
	Environmental controversies

**5 equally weighted pillars**

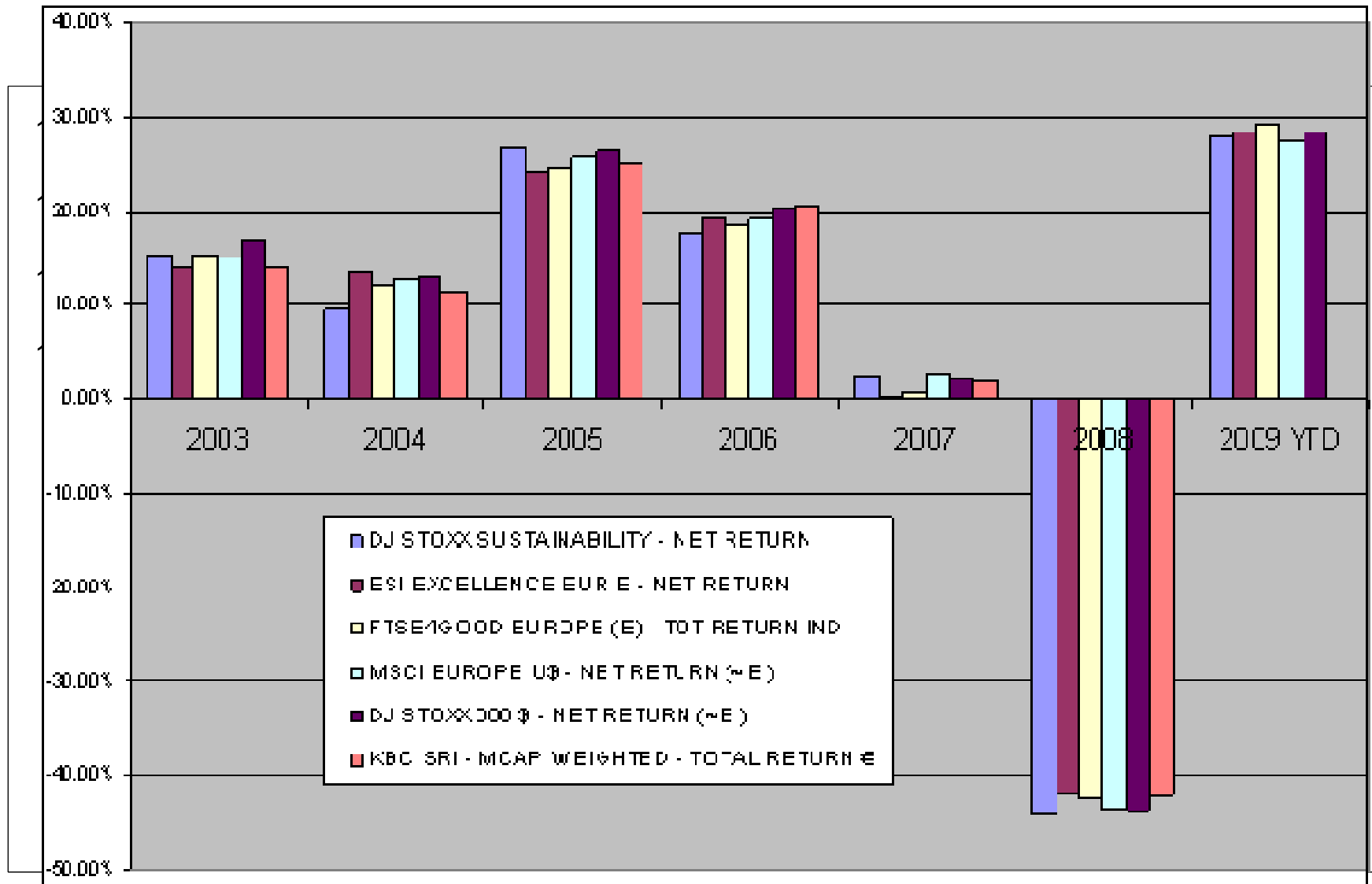
**Annual update**

- Full transparency on the website:  
[www.kbcassetmanagement.com/sri](http://www.kbcassetmanagement.com/sri) :
  - Methodology
  - Screening results
  - Investment funds
- Publication SRI-monitor
- Shareholder days SRI
- Yearly NGO meeting
- Workshop with listed companies
- Alignment with the EUROSIF transparency guidelines



# The power of SRI

## Best-in-class: no negative influence on performance



# The power of SRI

## Eco funds: clear influence on performance

