

Monday 29th September, 2003

**Kempen Capital Management and SNS Asset Management
launch Europe's first SRI smaller companies index**

Kempen Capital Management and SNS Asset Management are joining forces to launch the Kempen/SNS Smaller Europe SRI Index, believed to be the first index to track the performance of SRI smaller companies in Europe, on 1st October 2003. The Quantitative Techniques Division of HSBC Bank plc in Edinburgh will calculate and maintain the index on behalf of Kempen Capital Management and SNS Asset Management.

Whilst the majority of largecap companies are now SRI compliant, there has not been the same focus of attention on smaller companies to adopt socially responsible policies, nor the assistance to guide them in this complex area. The index has been created to be inclusive, enabling Kempen/SNS to work with companies to promote the adoption of socially responsible management practices.

It is anticipated that the index will encourage smaller companies to adopt socially responsible policies and will have a number of benefits:

- an incentive for smaller companies to become more socially responsible, by enabling them to demonstrate to all stakeholders, including employees, that they are socially responsible and have met stringent SRI tests
- identify a viable investment option for investors wishing to invest in SRI companies irrespective of size
- a benchmark concerning the performance of SRI compliant smaller European companies
- an ability to demonstrate to shareholders and potential investors that the company is aware of, and compliant with, best SRI practice
- allow investors the possibility of diversifying their SRI equity portfolios, producing risk reduction and return enhancement.



Kempen SNS Smaller Europe SRI Index

Initially, the Kempen/SNS Smaller Europe SRI Index will comprise 69 companies from 14 countries, but it is anticipated that this will increase significantly over the coming 12 months as more companies complete the engagement process and become eligible for inclusion in the index.

The index is the result of three years research conducted by Kempen/SNS, which recognised that interest in the SRI sector had increased significantly but that no provider, until now, covered the smaller European sector – a specialist area for Kempen Capital Management. Kempen Capital Management approached SNS Asset Management with its proposals and following an extensive screening process, the Kempen/SNS Smaller Europe SRI Index was created. This process remains ongoing and at present, involves some 1,700 individual companies. Meaningful engagement is at the heart of the process and can only be fully completed over the longer term.

The establishment of the index has been highly labour intensive, requiring a tremendous input from both Kempen and SNS in researching and screening potential companies for inclusion in the index.

Neil Dunn, managing director, Kempen Capital Management, says: “The whole subject of SRI is gaining interest with companies, pension funds, consultants and trustees. However, until now, it has only been largecaps that have been rated for sustainability. Because of the expertise of Kempen and SNS respectively, we have been able to undertake the necessary data collection and provide users with objective information on the SRI performance of smaller European companies. This new index is a first to provide both.

“There is tremendous interest in the subject of SRI and small companies are very keen to demonstrate that they are responsibly managed. Many companies want to improve their sustainability performance but require guidance in developing their own policy. Part of our role will be to work with companies to identify the areas that they need to improve in, with a view to them being included in the Kempen/SNS Smaller Europe SRI Index.”



Kempen SNS Smaller Europe SRI Index

Guus van der Kamp, managing director, SNS Asset Management, says: “We have more than 30 years experience in ethical investment and more than ten years in sustainable development, so when we were approached by Kempen Capital Management, we jumped at the chance to get involved in a project that was going to be a first, and also make a difference. We are strongly of the belief that companies with a positive sustainable attitude will be the greater generators of value added in the longer term.”

