

Responsible Investing and ESG

At Principal, our dedication to our clients drives our commitment to important issues like responsible investing and environmental, social, and governance issues (ESG). To that end, it's nice being recognized as a leader in these critical areas.

How we live responsible investing

- Principal Global Investors received an A+, the highest possible score, from The United Nations (UN) Principles for Responsible Investment on their assessment of environmental, social, and governance investment practices. (July 2018)
- Principal Global Investors ranked third among 30 of the largest investment managers in casting proxy voting to align with climate-risk mitigation issues at companies with large carbon footprints in the oil and gas and utility sectors in a report from 50/50 Climate Project. (November 2017)
- Principal Real Estate Investors launched a dedicated closed-end green strategy for private real estate equity, one of the first institutional commercial real estate funds to adopt a holistic approach to integrating ESG. (2009)
- Principal Real Estate Investors launched a second dedicated closed-end green strategy for private real estate equity. (2014)
- Principal Real Estate Investors' core and core-plus private real estate funds achieved Green Star and 4-star ratings from GRESB, the global benchmark for real estate assets, marking the third consecutive year for multiple 4-star ratings and placing them among the top 40% of GRESB participants worldwide.
- Principal Real Estate Investors was awarded three consecutive ENERGY STAR® Partner of the year awards (2016-2018), including our first Sustained Excellence Award in 2018.

How we live ESG

- Principal was recognized by Forbes as one of America's Best Employers for Diversity. (January 2018)
- Principal was recognized by Great Place to Work and Fortune as one of the 2018 Best Workplaces for Giving Back. (February 2018)
- Principal was recognized by Forbes as one of America's Best Large Employers. (May 2017)
- Principal was named one of the 2018 "NAFE Top Companies for Executive Women" by the National Association for Female Executives. (February 2018)
- Principal scored an A- on our response to CDP's 2017 Climate Change questionnaire. (December 2017)
- Principal was named one of the 100 World's Most Ethical Companies by the Ethisphere Institute. (February 2018)
- Principal received a perfect score on the Human Rights Campaign Foundation's 2018 Corporate Equality Index. (December 2017)
- Principal was honored by Working Mother as one of the 2018 Working Mother 100 Best. (September 2018)
- Principal earned a top spot in our category in Pensions & Investments' annual survey of the Best Places to Work in Money Management. (December 2017)
- Principal was recognized by IDG's Computerworld as one of the Best Places to Work in IT. (June 2018)

For more information and a full list of our awards and accomplishments, please visit our [website](#).

Disclosures

Unless otherwise noted, the information in this document has been derived from sources believed to be accurate as of October 2018. Information derived from sources other than Principal Global Investors or its affiliates is believed to be reliable; however, we do not independently verify or guarantee its accuracy or validity.

Third party rankings and recognitions are no guarantee of future investment success and do not ensure that a client or prospective client will experience a higher level of performance or results. These ratings should not be constructed as an endorsement of the advisor by any client nor are they representative of any one client's evaluation.

This document is issued in:

- The United States by Principal Global Investors, LLC, which is regulated by the U.S. Securities and Exchange Commission.
- Europe by Principal Global Investors (Europe) Limited, Level 1, 1 Wood Street, London EC2V 7JB, registered in England, No. 03819986, which has approved its contents, and which is authorised and regulated by the Financial Conduct Authority.
- Singapore by Principal Global Investors (Singapore) Limited (ACRA Reg. No. 199603735H), which is regulated by the Monetary Authority of Singapore and is directed exclusively at institutional investors as defined by the Securities and Futures Act (Chapter 289).
- Australia by Principal Global Investors (Australia) Limited (ABN 45 102 488 068, AFS License No. 225385), which is regulated by the Australian Securities and Investment Commission and is only directed at wholesale investors (as defined in sections 761G and 761GA of the Corporations Act).
- This document is issued by Principal Global Investors LLC, a branch registered in the Dubai International Financial Centre and authorized by the Dubai Financial Services Authority as a representative office and is delivered on an individual basis to the recipient and should not be passed on or otherwise distributed by the recipient to any other person or organisation. This document is intended for sophisticated institutional and professional investors only.
- In Europe, this document is directed exclusively at Professional Clients and Eligible Counter parties and should not be relied upon by Retail Clients (all as defined by MiFID II). In connection with its management of client portfolios, Principal Global Investors (Europe) Limited may delegate management authority to affiliates that are not authorised and regulated within Europe. In any such case, the client may not benefit from all protections offered by rules and regulations enacted under MiFID II.
- Switzerland by Principal Global Investors (Switzerland) GmbH which is authorised by the Swiss Financial Market Supervisory Authority ("FINMA").
- India by Principal Pnb Asset Management Company Private Limited (PPAMC). PPAMC offers only the units of the schemes of Principal Mutual Fund, a mutual fund registered with SEBI.

There is no guarantee that socially responsible investing (SRI) products or strategies will produce returns similar to traditional investments. An environmental, social and governance ("ESG") investment strategy limits the types and number of investment opportunities available and, as a result, may underperform other strategy that do not have an ESG focus. An ESG investment strategy may result in investing in securities or industry sectors that underperform the market as a whole or underperform other strategies screened for ESG standards. Socially responsible investing is qualitative and subjective by nature, and there is no guarantee that the criteria utilized, or judgment exercised, will reflect the beliefs or values of any one particular investor. Information regarding responsible practices is obtained through voluntary or third-party reporting, which may or may not be accurate or complete, and such information is used to evaluate a company's commitment to, or implementation of, responsible practices. Socially responsible norms differ by region. There is no assurance that the socially responsible investing strategy and techniques employed will be successful.

This material is not intended for distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

Insurance products and plan administrative services provided through Principal Life Insurance Co. Principal Funds, Inc. is distributed by Principal Funds Distributor, Inc. Securities offered through Principal Securities, Inc., 800-547-7754, Member SIPC and/or independent broker/dealers. Principal Life, Principal Funds Distributor, Inc. and Principal Securities are members of the Principal Financial Group®, Des Moines, IA 50392.

©2018 Principal Financial Services, Inc. Principal, Principal and the symbol design and Principal Financial Group are trademarks and service marks of Principal Financial Services, Inc., a member of the Principal Financial Group. Principal Global Investors is the asset management arm of the Principal Financial Group.