



| LEA 02 | Discipline: Mandatory | Principle: PRI 1, 2, 3 |
|--|---|------------------------|
| <p>Type of engagement</p> <p>Individual/ internal staff engagements</p> | <p>Reason for interaction</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in internal staff | |
| <p>Collaborative engagements</p> | <ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure <input type="checkbox"/> We do not engage in collaborative engagements | |
| <p>Service provider engagements</p> | <ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in service provider engagements | |

RI TRANSPARENCY REPORT

2018

Salm-Salm & Partner GmbH

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2018 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

| Symbol | Status |
|--------|---|
| ✓ | The signatory has completed all mandatory parts of this indicator |
| ☑ | The signatory has completed some parts of this indicator |
| 🔒 | This indicator was not relevant for this signatory |
| - | The signatory did not complete any part of this indicator |
| ⚠ | The signatory has flagged this indicator for internal review |

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

| Organisational Overview | | | | Principle | | | | | | General |
|-------------------------|---|--------|------------------------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| OO TG | | ✓ | - | | | | | | | |
| OO 01 | Signatory category and services | ✓ | Public | | | | | | | ✓ |
| OO 02 | Headquarters and operational countries | ✓ | Public | | | | | | | ✓ |
| OO 03 | Subsidiaries that are separate PRI signatories | ✓ | Public | | | | | | | ✓ |
| OO 04 | Reporting year and AUM | ✓ | Public | | | | | | | ✓ |
| OO 05 | Breakdown of AUM by asset class | ✓ | Asset mix disclosed in OO 06 | | | | | | | ✓ |
| OO 06 | How would you like to disclose your asset class mix | ✓ | Public | | | | | | | ✓ |
| OO 07 | Fixed income AUM breakdown | ✓ | Private | | | | | | | ✓ |
| OO 08 | Segregated mandates or pooled funds | 🔒 | n/a | | | | | | | ✓ |
| OO 09 | Breakdown of AUM by market | ✓ | Public | | | | | | | ✓ |
| OO 10 | Active ownership practices for listed assets | ✓ | Public | | | | | | | ✓ |
| OO 11 | ESG incorporation practices for all assets | ✓ | Public | | | | | | | ✓ |
| OO 12 | Modules and sections required to complete | ✓ | Public | | | | | | | ✓ |
| OO LE 01 | Breakdown by passive, quantitative, fundamental and other active strategies | ✓ | Private | | | | | | | ✓ |
| OO LE 02 | Reporting on strategies that are <10% of actively managed listed equities | 🔒 | n/a | | | | | | | ✓ |
| OO FI 01 | Breakdown by passive, active strategies | ✓ | Private | | | | | | | ✓ |
| OO FI 02 | Option to report on <10% assets | 🔒 | n/a | | | | | | | ✓ |
| OO FI 03 | Breakdown by market and credit quality | - | n/a | | | | | | | ✓ |
| OO SAM 01 | Breakdown by passive, quantitative, fundamental and other active strategies | 🔒 | n/a | | | | | | | ✓ |
| OO PE 01 | Breakdown of investments by strategy | 🔒 | n/a | | | | | | | ✓ |
| OO PE 02 | Typical level of ownership | 🔒 | n/a | | | | | | | ✓ |
| OO PR 01 | Breakdown of investments | 🔒 | n/a | | | | | | | ✓ |
| OO PR 02 | Breakdown of assets by management | 🔒 | n/a | | | | | | | ✓ |
| OO PR 03 | Largest property types | 🔒 | n/a | | | | | | | ✓ |
| OO INF 01 | Breakdown of investments | 🔒 | n/a | | | | | | | ✓ |
| OO INF 02 | Breakdown of assets by management | 🔒 | n/a | | | | | | | ✓ |
| OO INF 03 | Largest infrastructure | 🔒 | n/a | | | | | | | ✓ |
| OO End | Module confirmation page | ✓ | - | | | | | | | |

| CCStrategy and Governance | | | | Principle | | | | | | General |
|---------------------------|--|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| SG 01 | RI policy and coverage | ✓ | Public | | | | | | | ✓ |
| SG 02 | Publicly available RI policy or guidance documents | ✓ | Public | | | | | | | ✓ |
| SG 03 | Conflicts of interest | ✓ | Public | | | | | | | ✓ |
| SG 04 | Identifying incidents occurring within portfolios | ✓ | Private | | | | | | | ✓ |
| SG 05 | RI goals and objectives | ✓ | Public | | | | | | | ✓ |
| SG 06 | Main goals/objectives this year | ✓ | Private | | | | | | | ✓ |
| SG 07 | RI roles and responsibilities | ✓ | Public | | | | | | | ✓ |
| SG 07 CC | Climate-issues roles and responsibilities | ✓ | Public | | | | | | | ✓ |
| SG 08 | RI in performance management, reward and/or personal development | ✓ | Private | | | | | | | ✓ |
| SG 09 | Collaborative organisations / initiatives | ✓ | Public | | | | ✓ | ✓ | | |
| SG 09.2 | Assets managed by PRI signatories | 🔒 | n/a | ✓ | | | | | | |
| SG 10 | Promoting RI independently | ✓ | Public | | | | ✓ | | | |
| SG 11 | Dialogue with public policy makers or standard setters | ✓ | Private | | | | ✓ | ✓ | ✓ | |
| SG 12 | Role of investment consultants/fiduciary managers | ✓ | Public | | | | ✓ | | | |
| SG 13 | ESG issues in strategic asset allocation | ✓ | Public | ✓ | | | | | | |
| SG 14 | Long term investment risks and opportunity | ✓ | Public | ✓ | | | | | | |
| SG 15 | Allocation of assets to environmental and social themed areas | ✓ | Private | ✓ | | | | | | |
| SG 16 | ESG issues for internally managed assets not reported in framework | ✓ | Public | | | | | | | ✓ |
| SG 17 | ESG issues for externally managed assets not reported in framework | 🔒 | n/a | | | | | | | ✓ |
| SG 18 | Innovative features of approach to RI | ✓ | Private | | | | | | | ✓ |
| SG 19 | Communication | ✓ | Public | | | | | | | ✓ |
| SG End | Module confirmation page | ✓ | - | | | | | | | |

| Direct - Listed Equity Incorporation | | | | Principle | | | | | | General |
|--------------------------------------|--|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| LEI 01 | Percentage of each incorporation strategy | ✓ | Public | ✓ | | | | | | |
| LEI 02 | Type of ESG information used in investment decision | ✓ | Private | ✓ | | | | | | |
| LEI 03 | Information from engagement and/or voting used in investment decision-making | 🔒 | n/a | ✓ | | | | | | |
| LEI 04 | Types of screening applied | ✓ | Public | ✓ | | | | | | |
| LEI 05 | Processes to ensure screening is based on robust analysis | ✓ | Public | ✓ | | | | | | |
| LEI 06 | Processes to ensure fund criteria are not breached | ✓ | Private | ✓ | | | | | | |
| LEI 07 | Types of sustainability thematic funds/mandates | ✓ | Public | ✓ | | | | | | |
| LEI 08 | Review ESG issues while researching companies/sectors | ✓ | Public | ✓ | | | | | | |
| LEI 09 | Processes to ensure integration is based on robust analysis | ✓ | Private | ✓ | | | | | | |
| LEI 10 | Aspects of analysis ESG information is integrated into | ✓ | Private | ✓ | | | | | | |
| LEI 11 | ESG issues in index construction | 🔒 | n/a | ✓ | | | | | | |
| LEI 12 | How ESG incorporation has influenced portfolio composition | ✓ | Private | ✓ | | | | | | |
| LEI 13 | Measurement of financial and ESG outcomes of ESG incorporation | ✓ | Private | ✓ | | | | | | |
| LEI 14 | Examples of ESG issues that affected your investment view / performance | ✓ | Private | ✓ | | | | | | |
| LEI End | Module confirmation page | ✓ | - | | | | | | | |

| Direct - Fixed Income | | | | Principle | | | | | | General |
|-----------------------|---|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| FI 01 | Incorporation strategies applied | ✓ | Public | ✓ | | | | | | |
| FI 02 | ESG issues and issuer research | ✓ | Private | ✓ | | | | | | |
| FI 03 | Processes to ensure analysis is robust | ✓ | Public | ✓ | | | | | | |
| FI 04 | Types of screening applied | ✓ | Public | ✓ | | | | | | |
| FI 05 | Negative screening - overview and rationale | ✓ | Public | ✓ | | | | | | |
| FI 06 | Examples of ESG factors in screening process | ✓ | Private | ✓ | | | | | | |
| FI 07 | Screening - ensuring criteria are met | ✓ | Public | ✓ | | | | | | |
| FI 08 | Thematic investing - overview | 🔒 | n/a | ✓ | | | | | | |
| FI 09 | Thematic investing - themed bond processes | 🔒 | n/a | ✓ | | | | | | |
| FI 10 | Thematic investing - assessing impact | 🔒 | n/a | ✓ | | | | | | |
| FI 11 | Integration overview | ✓ | Public | ✓ | | | | | | |
| FI 12 | Integration - ESG information in investment processes | ✓ | Public | ✓ | | | | | | |
| FI 13 | Integration - E,S and G issues reviewed | ✓ | Public | ✓ | | | | | | |
| FI 14 | ESG incorporation in passive funds | 🔒 | n/a | ✓ | | | | | | |
| FI 15 | Engagement overview and coverage | 🔒 | n/a | | ✓ | | | | | |
| FI 16 | Engagement method | 🔒 | n/a | ✓ | ✓ | | | | | |
| FI 17 | Engagement policy disclosure | 🔒 | n/a | ✓ | ✓ | | | | | |
| FI 18 | Financial/ESG performance | ✓ | Private | | | | | | | ✓ |
| FI 19 | Examples - ESG incorporation or engagement | ✓ | Private | ✓ | ✓ | | | | | |
| FI End | Module confirmation page | ✓ | - | | | | | | | |

| Assurance | | | | Principle | | | | | | General |
|-----------------|------------------------------------|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| CM1 01.1 | Assurance, verification, or review | ✓ | Public | | | | | | | ✓ |
| CM1 01.2 & 01.8 | Assurance of this year's PRI data | ✓ | Public | | | | | | | |
| CM1 01.3 & 01.9 | Assurance of last year's PRI data | ✓ | Public | | | | | | | ✓ |
| CM1 01.4, 10-12 | Other confidence building measures | ✓ | Public | | | | | | | ✓ |
| CM1 01.5 | External assurance | 🔒 | n/a | | | | | | | ✓ |
| CM1 01.6 | Assurance or internal audit | 🔒 | n/a | | | | | | | ✓ |
| CM1 01.7 | Internal verification | ✓ | Public | | | | | | | ✓ |
| CM1 01 End | Module confirmation page | ✓ | - | | | | | | | |

Salm-Salm & Partner GmbH

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Fund management

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Further options for investment managers (may be selected in addition to the above)

Execution and advisory services

Hedge funds

Fund of hedge funds

OO 01.3

Additional information. [Optional]

Our sustainable "flagship product" is the Salm-Salm Sustainability Convertible Fund. In 2016, we launched the Salm-Salm Climate Leaders Equity Fund, the first of its kind in Germany to set an example for and promote leadership in climate-resilient investing. We also advise third parties on sustainable investing within the global convertible bond market.

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Germany

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

1

2-5

6-10

>10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

15

OO 03 **Mandatory** **Public** **Descriptive** **General**

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04 **Mandatory** **Public** **Gateway/Peering** **General**

OO 04.1 Indicate the year end date for your reporting year.

31/12/2017

OO 04.2 Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.

| | trillions | billions | millions | thousands | hundreds |
|---------------|-----------|----------|----------|-----------|----------|
| Total AUM | | | 575 | 000 | 000 |
| Currency | EUR | | | | |
| Assets in USD | | | 682 | 235 | 641 |

OO 04.4 Indicate the total assets at the end of your reporting year subject to an execution and/or advisory approach.

| | trillions | billions | millions | thousands | hundreds |
|---------------|-----------|----------|----------|-----------|----------|
| Total AUM | | | 157 | 000 | 000 |
| Currency | EUR | | | | |
| Assets in USD | | | 186 | 279 | 992 |

OO 06 **Mandatory** **Public** **Descriptive** **General**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

OO 06.1

Select how you would like to disclose your asset class mix.

- as percentage breakdown
- as broad ranges

| | Internally managed (%) | Externally managed (%) |
|--------------------|------------------------|------------------------|
| Listed equity | <10% | 0 |
| Fixed income | >50% | 0 |
| Private equity | 0 | 0 |
| Property | 0 | 0 |
| Infrastructure | 0 | 0 |
| Commodities | 0 | 0 |
| Hedge funds | 0 | 0 |
| Forestry | 10-50% | 0 |
| Farmland | <10% | 0 |
| Inclusive finance | 0 | 0 |
| Cash | 0 | 0 |
| Other (1), specify | 0 | 0 |
| Other (2), specify | 0 | 0 |

OO 06.2

Publish asset class mix as per attached image [Optional].

OO 09

Mandatory to Report Voluntary to Disclose

Public

Peering

General

OO 09.1

Indicate the breakdown of your organisation's AUM by market.

| | |
|--------------------------------------|--|
| Developed Markets | <input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 % |
| Emerging, Frontier and Other Markets | <input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 % |
| Total | 100% |

Asset class implementation gateway indicators

| | | | | |
|-------|-----------|--------|---------|---------|
| OO 10 | Mandatory | Public | Gateway | General |
|-------|-----------|--------|---------|---------|

OO 10.1 Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

OO 10.2 Indicate why you do not engage and do not require external managers to engage.

Our listed equity investments account for less than 2% of our total AUM. However, we intend to collaborate and join forces with other actors actively engaging with listed companies.

Listed equity – voting

- We cast our (proxy) votes directly or via dedicated voting providers
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

OO 10.3 Indicate why you do not cast your votes

- Indicate why you do not cast your votes

Our listed equity investments account for less than 2% of our total AUM. However, we intend to collaborate and join forces with other actors actively engaging with listed companies.

- We do not cast our votes but provide substantive research and voting recommendations to our clients.

Fixed income Corporate (financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

Convertible Bonds do not carry any voting rights.

Fixed income Corporate (non-financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

Convertible Bonds do not carry any voting rights.

| | | | | |
|-------|-----------|--------|---------|---------|
| OO 11 | Mandatory | Public | Gateway | General |
|-------|-----------|--------|---------|---------|

OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Forestry

- We address ESG incorporation.
- We do not do ESG incorporation.

Farmland

- We address ESG incorporation.
- We do not do ESG incorporation.

| | | | | |
|-------|-----------|--------|---------|---------|
| OO 12 | Mandatory | Public | Gateway | General |
|-------|-----------|--------|---------|---------|

OO 12.1 Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Fixed Income

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

RI implementation via external managers

Closing module

- Closing module

Salm-Salm & Partner GmbH

Reported Information

Public version

Strategy and Governance

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

| Policy components/types | Coverage by AUM |
|---|--|
| <input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Engagement policy <input type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2) | <input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM |

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change and related issues

| | |
|------------------------|--|
| SG 01.3b CC | Describe how climate-related risks and opportunities are factored into your investment strategies or products. |
|------------------------|--|

- We factor climate-related risks and strategies into our investment strategies or products.
- We do not factor climate-related risks and strategies into our investment strategies or products.
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

| | |
|----------------|--|
| SG 01.4 | Describe your organisation's investment principles and overall investment strategy, and how they consider ESG factors and real economy impact. |
|----------------|--|

At Salm-Salm, our portfolio management team follows a two-fold top-down and bottom-up approach on the basis of both quantitative and fundamental analysis. The screening process starts with a financial analysis of the the entire convertible bond universe.

After this first step, only a quarter of the initial 1000 securities remain part of the universe. The remaining securities are further examined as part of our fundamental analysis based on our 30 paramter model. The 150 top picks are candidates for portfolio allocation while only some (40-80) are eligible for investment and will form part of the final portfolio.

In addition, all remaining companies are carefully screened for violations of our internal sustainability criteria by our research partner. Only companies with high marks in our proprietary scoring model will pass. We have a combined negative screening and best-in-class approach in place.

| | |
|----------------|--|
| SG 01.5 | Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional] |
|----------------|--|

Our investment policy covers the entire spectrum of ESG and applies to the majority of our AUM. Portfolio selection within our sustainable investment funds and mandates is based on our strict and clearly defined set of sustainable investment criteria including a number of exclusion criteria and a customised quantitative rating model.

No

| | | | | |
|--------------|------------------|---------------|----------------------|--------------|
| SG 02 | Mandatory | Public | Core Assessed | PRI 6 |
|--------------|------------------|---------------|----------------------|--------------|

New selection options have been added to this indicator. Please review your prefilled responses carefully.

| | |
|----------------|--|
| SG 02.1 | Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document. |
|----------------|--|

- Policy setting out your overall approach
- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- Screening / exclusions policy
- We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Reporting
- Climate-related issues
- Climate change and related issues
- We do not publicly disclose any investment policy components

SG 02.3

Indicate if your organisation's investment principles, and overall investment strategy is publicly available

Yes

URL

<http://salm-salm.de/wandelanleihen/investmentfonds/sustainability/index.html>

No

SG 02.4

Additional information [Optional].

Note that as we undergoing a major overhaul of our website we will publicly disclose our investment policy during 2018.

SG 03**Mandatory****Public****Core Assessed****General****SG 03.1**

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

SG 03.2

Describe your policy on managing potential conflicts of interest in the investment process.

We follow a strict best-execution policy according to § 168 Abs. 7 KAGB and to the BVI rules of conduct. Our commitment is to act in the best interest of investors and to ensure a high level of market integrity. We only perform trades with intermediaries that are committed to MiFID-conform trading principles. We audit all of our brokers (currently 10-20) on a regular basis. The same rules apply to all custodian banks and other intermediaries we interact with. The execution of client orders is price-sensitive. We derogate from the principle only when this is in the justified interest of our clients (e.g. urgent need of capital). We are committed to counteract any form of conflicts of interest.

No

Objectives and strategies

| | | | | |
|-------|-----------|--------|-----------------------|---------|
| SG 05 | Mandatory | Public | Gateway/Core Assessed | General |
|-------|-----------|--------|-----------------------|---------|

SG 05.1

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

Governance and human resources

| | | | | |
|-------|-----------|--------|---------------|---------|
| SG 07 | Mandatory | Public | Core Assessed | General |
|-------|-----------|--------|---------------|---------|

SG 07.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- ESG portfolio manager
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)
- Other role, specify (2)

SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

All roles implementing responsible investment:

At Salm-Salm, usually dual roles apply. Implementation of responsible investment is an internal-only role carried out by up to four individuals who are tasked with ESG-related research, investor relations and external communications (e.g. with our dedicated ESG-partners). Investment decisions are usually performed in small teams and not by individuals. Some of our staff dedicate a majority of their time to ESG-related activities. As a matter of principle, all ESG-criteria considered are aggregated and reviewed on a weekly basis across all relevant investment portfolios and mandates.

All roles with senior level oversight and accountability for responsible investment implementation:

Oversight of the implementation process is continuously carried by C-level staff both internally and externally (e.g. client investment committees). At Salm-Salm, sustainability forms part of our core corporate strategy and stays thus within the realm of the top management, i.e. the highest decision-making level.

SG 07.3

Indicate the number of dedicated responsible investment staff your organisation has.

Number

4

SG 07 CC**Voluntary****Public****Descriptive****General****SG 07.1
CC**

Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for climate-related issues.

Roles present in your organisation

- Board members or trustees
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for climate-related issues
 - Assessment and management of climate-related issues
 - No responsibility for climate-related issues
- Other Chief-level staff or head of department, specify
- Portfolio managers
 - Oversight/accountability for climate-related issues
 - Assessment and management of climate-related issues
 - No responsibility for climate-related issues
- ESG portfolio manager
- Investment analysts
 - Oversight/accountability for climate-related issues
 - Assessment and management of climate-related issues
 - No responsibility for climate-related issues
- Dedicated responsible investment staff
 - Oversight/accountability for climate-related issues
 - Assessment and management of climate-related issues
 - No responsibility for climate-related issues
- External managers or service providers
 - Oversight/accountability for climate-related issues
 - Assessment and management of climate-related issues
 - No responsibility for climate-related issues
- Investor relations
 - Oversight/accountability for climate-related issues
 - Assessment and management of climate-related issues
 - No responsibility for climate-related issues
- Other role, specify (1)
- Other role, specify (2)

| | |
|------------------------|---|
| SG 07.1b CC | For the management-level roles which assess and manage climate-related issues, provide further information on the structure and process involved. |
|------------------------|---|

At Salm-Salm, managing climate-related issues is a cross-cutting issue with multiple dimensions. Our (dedicated) investment staff gathers and aggregated climate data from various ESG-partners and external resources. The information retrieved from these sources then form part of our investment process specifically designed for managing our Salm-Salm Climate Leaders Equity Fund. Our investment process consists of five steps and centers on the idea of (a) de-risking and (b) climate-proofing current and future investments.

Promoting responsible investment

| | | | | |
|--------------|------------------|---------------|----------------------|----------------|
| SG 09 | Mandatory | Public | Core Assessed | PRI 4,5 |
|--------------|------------------|---------------|----------------------|----------------|

New selection options have been added to this indicator. Please review your prefilled responses carefully.

| | |
|----------------|---|
| SG 09.1 | Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played. |
|----------------|---|

Select all that apply

Principles for Responsible Investment

| |
|--|
| Your organisation's role in the initiative during the reporting period (see definitions) |
|--|

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Signatory / member and implementation in cooperation with our dedicated ESG-partner.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- EVCA – Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

| | | | | |
|-------|-----------|--------|---------------|-------|
| SG 10 | Mandatory | Public | Core Assessed | PRI 4 |
|-------|-----------|--------|---------------|-------|

SG 10.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

SG 10.2 Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)
- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment

Description

Panelist on various occasions.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- Wrote and published in-house research papers on responsible investment

Description

Internal notes on climate finance and related areas.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- Encouraged the adoption of the PRI
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media

Description

Various editorial pieces in leading publications including "Der Tagesspiegel".

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- A member of PRI advisory committees/ working groups, specify
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify
- No

SG 10.3 Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

Reached out and engaged with various peer organisations to share experiences and discuss internal RI policies and planned commitments.

Outsourcing to fiduciary managers and investment consultants

| | | | | |
|--------------|------------------|---------------|----------------------|--------------|
| SG 12 | Mandatory | Public | Core Assessed | PRI 4 |
|--------------|------------------|---------------|----------------------|--------------|

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1

Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants
- No, we do not use investment consultants.

ESG issues in asset allocation**SG 13****Mandatory****Public****Descriptive****PRI 1****New selection options have been added to this indicator. Please review your prefilled responses carefully.****SG 13.1**

Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities

Is this scenario analysis based on a 2°C or lower scenario?

- Yes
- No
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

**SG SG
13.1a CC**

Please describe the resilience of your organisation's strategy, considering different future climate scenarios.

| Strategy affected | Changes to strategy | Description of scenario and time-horizon | How analysis has been used |
|---------------------------------------|---|---|---|
| Salm-Salm Climate Leaders Equity Fund | Core strategy of investment decision-making | Various 2°C scenarios including IEA, each with a long-term time horizon (e.g. 2020, 2050) | De-risking and climate-proofing portfolio holdings in the long term |

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

ESG issues form part of our overall investment strategy within our dedicated portfolios and mandates and are thus considered across asset classes, regions and sectors.

- We do not consider ESG issues in strategic asset allocation

| | | | | |
|--------------|--|---------------|----------------------------|--------------|
| SG 14 | Mandatory to Report Voluntary to Disclose | Public | Additional Assessed | PRI 1 |
|--------------|--|---------------|----------------------------|--------------|

SG 14.1 Describe the process used to identify short, medium and long-term risks and opportunities that could have a material impact on your organisation and its activities.

At Salm-Salm, we have a number of processes in place used to identify the various risks and opportunities from outside developments on our organisation and the assets we manage. There is no single universal approach to determining such impacts.

SG 14.1 CC Describe the processes used to determine which climate-related short, medium and long-term risks and opportunities could have a material impact on your organisation and its activities.

The purpose and objective of the Salm-Salm Climate Leders Equity Fund is to deliver a transparent market instrument, which limits the impact of climate risk and allows investors to capitalize on the opportunities created by companies that integrate climate change considerations into their operations and business models.

The methodology underpinning the selection process is based on the following three dimensions:

1. Current exposure: Preference given to low GHG emitting companies.
2. Future exposure: Avoidance of companies with Oil, Coal and Gas reserves
3. Trends: Preference given to companies with convincing climate strategies

Our analysis contains a wide range of parameters, including

- Responsible and transparent reporting on GHG emissions
- Performance on GHG emissions reporting
- Impact on company assets, such as reserves from future regulations on climate change
- Carbon performance comparison to company peer groups
- Company product and service line based on climate positive projects

SG 14.2 Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.

- Changing demographics
- Climate change and related issues

SG 14.2a cc Please describe how you define “short”, “medium” and “long term”, and describe your material climate-related issues over these time horizons.

| | Definition | Description of material climate-related issues |
|-------------|------------|--|
| Short term | <1y | Market risks |
| Medium term | 1-5y | Market and regulatory risks |
| Long term | >5y | Market, regulatory and physical risks |

SG 14.3

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.4

Indicate which of the following tools you use to manage emissions risks and opportunities

- Scenario analysis
- Disclosure on emissions risk to clients/trustees/management/beneficiaries
- Climate-related targets
- Encourage internal and/or external portfolio managers to monitor emissions risk
- Emissions risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above
- Resource scarcity
- Technology developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.4a
CC

Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

| Metric Type | Coverage | Purpose | Metric Unit | Metric Methodology | Metric Trend | Limitations / Weaknesses |
|-----------------------------------|---|---|--------------------------|--------------------|--------------|--|
| Climate-related targets | Salm-Salm Climate Leaders Equity Fund | Assessing climate related opportunities | 2° compatibility | Various | improved | Data availability, gaps in methodology |
| Weighted average carbon intensity | Salm-Salm Climate Leaders Equity Fund and other funds | Assessing climate related risks | tCO2e / EUR Mio revenue | CO2 footprinting | improved | Data reliability, sector differences |
| Carbon footprint (scope 1 and 2) | Salm-Salm Climate Leaders Equity Fund and other funds | Assessing climate related risks | tCO2e | CO2 footprinting | improved | Data reliability, sector differences |
| Portfolio carbon footprint | Salm-Salm Climate Leaders Equity Fund and other funds | Assessing climate related risks | tCO2e / EUR Mio invested | CO2 footprinting | improved | Data reliability, sector differences |
| Total carbon emissions | Salm-Salm Climate Leaders Equity Fund and other funds | Assessing climate related risks | tCO2e | CO2 footprinting | improved | Data reliability, sector differences |
| Carbon intensity | Salm-Salm Climate Leaders Equity Fund and other funds | Assessing climate related risks | tCO2e / EUR Mio revenue | CO2 footprinting | improved | Data reliability, sector differences |
| Exposure to carbon-related assets | Salm-Salm Climate Leaders Equity Fund | Assessing climate related risks | % | CO2 footprinting | improved | Data reliability |

SG 14.4b
CC

Please describe in further detail your key targets.

| Targettype | Time Frame | Base Year | KPI | Target Methodology | Limitations / Weaknesses | Attachments |
|--|------------|-----------|----------------------------|--------------------------|--|-------------|
| <input type="radio"/> Absolute target <input checked="" type="radio"/> Intensity target | annually | 2016 | Portfolio carbon footprint | tCO2e / EUR Mio invested | Data reliability, sector differences | |
| <input type="radio"/> Absolute target <input checked="" type="radio"/> Intensity target | >5y | 2016 | 2° compatibility | Various | Data availability, gaps in methodology | |

SG 14.5

If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

At Salm-Salm, we communicate with our clients and customers on different levels. Climate related disclosure tools include newsletters, factsheets and transparency guidelines.

**SG 14.7
CC**

Describe your risk management processes for identifying, assessing, and managing climate-related risks.

- Our process for climate-related risks is integrated into overall risk management

Please describe

The selection of relevant companies for the Salm-Salm Climate Leaders Equity Fund draws from a universe equivalent to the MSCI ACWI and is divided into in five steps: first, companies not publically disclosing their carbon emissions are excluded. For remaining companies, a trust metric on the disclosed emission numbers is applied to verify the credibility and quality of the emission number disclosed. Companies with very low quality and non-credible numbers are excluded. In a third round, our data provider removes companies, which show emission intensities lower than their sector peers. Then, the fourth filtering step removes companies with fossil fuel reserves. Finally, the filter looks at the companies' overall climate change management and strategic performance. Hereby, companies with a score lower than a specific threshold on two different scoring methodologies are being removed.

- Our process for climate-related risks is not integrated into our overall risk management

**SG 14.8
CC**

Describe your processes for prioritising climate-related risks.

See above

**SG 14.9
CC**

Do you conduct engagement activity with investee companies to encourage better disclosure and practices around climate-related risks?

- Yes
- No, we do not engage

| | |
|------------------------|---|
| SG 14.10 CC | Describe how you use data from climate-related disclosures. |
|------------------------|---|

See above

Asset class implementation not reported in other modules

| | | | | |
|--------------|------------------|---------------|--------------------|----------------|
| SG 16 | Mandatory | Public | Descriptive | General |
|--------------|------------------|---------------|--------------------|----------------|

| Asset Class | Describe what processes are in place and the outputs or outcomes achieved |
|--------------------|---|
| Forestry | <p>Salm Boscor and Salm Schulenburg offer parties interested in sustainable, long-term oriented and forward-looking business models access to investments in agriculture and forestry all across Germany and beyond.</p> <p>Since its establishment in 2009 our combined agriculture and forestry units have initially attracted €65m in investments resulting in a purchase of 5.300 ha forests and 504 ha agricultural land. Over the years, those numbers rose significantly with almost €160m currently being invested in agriculture and forestry.</p> |
| Farmland | <p>Salm Boscor and Salm Schulenburg offer parties interested in sustainable, long-term oriented and forward-looking business models access to investments in agriculture and forestry all across Germany and beyond.</p> <p>Since its establishment in 2009 our combined agriculture and forestry units have initially attracted €65m in investments resulting in a purchase of 5.300 ha forests and 504 ha agricultural land. Over the years, those numbers rose significantly with almost €160m currently being invested in agriculture and forestry.</p> |

| | |
|----------------|------------------------------------|
| SG 16.2 | Additional information [Optional]. |
|----------------|------------------------------------|

Communication

| | | | | |
|--------------|------------------|---------------|----------------------|--------------|
| SG 19 | Mandatory | Public | Core Assessed | PRI 6 |
|--------------|------------------|---------------|----------------------|--------------|

| | |
|----------------|---|
| SG 19.1 | Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information. |
|----------------|---|

| | |
|--|--------------|
| | Fixed income |
|--|--------------|

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

| | |
|--|--|
| Disclosure to clients/beneficiaries | |
| | <p>Disclosure to clients/beneficiaries</p> <ul style="list-style-type: none"> <input type="radio"/> Broad approach to RI incorporation <input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used |
| | <p>Frequency</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested |

Listed equity - Incorporation

Do you disclose?

- We do not proactively disclose it to the public and/or clients/beneficiaries
- We disclose to clients/beneficiaries only.
- We disclose it publicly

| | |
|--|---|
| Disclosure to clients/beneficiaries | |
| | <p>Disclosure to clients/beneficiaries</p> <ul style="list-style-type: none"> <input type="radio"/> Broad approach to ESG incorporation <input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used |
| | <p>Frequency</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested |

Salm-Salm & Partner GmbH

Reported Information

Public version

Direct - Listed Equity Incorporation

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ESG incorporation in actively managed listed equities

Implementation processes

| | | | | |
|--------|-----------|--------|---------------|-------|
| LEI 01 | Mandatory | Public | Core Assessed | PRI 1 |
|--------|-----------|--------|---------------|-------|

New selection options have been added to this indicator. Please review your prefilled responses carefully.

| | |
|-----------------|--|
| LEI 01.1 | Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%) |
|-----------------|--|

ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening and integration strategies
- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined

| | |
|---|-----|
| Percentage of active listed equity to which the strategy is applied | |
| | 100 |

- We do not apply incorporation strategies

| | |
|--|--|
| | Total actively managed listed equities |
|--|--|

100%

| | |
|-----------------|---|
| LEI 01.2 | Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies. |
|-----------------|---|

In 2016, Salm-Salm & Partner launched its "Climate Leaders Equity Fund", the first of its kind in Germany, to set an example for and promote leadership in climate-resilient investing.

This "climate change optimized" fund aims to provide an investment vehicle for investors to reducing climate change related investment risks, harvesting opportunities and contribute to climate change mitigation and adaptation efforts. It invests globally and is broadly diversified while aiming to pick climate change winners and avoid climate change losers.

(A) Implementation: Screening

| | | | | |
|--------|-----------|--------|-------------|-------|
| LEI 04 | Mandatory | Public | Descriptive | PRI 1 |
|--------|-----------|--------|-------------|-------|

| | |
|----------|--|
| LEI 04.1 | Indicate and describe the type of screening you apply to your internally managed active listed equities. |
|----------|--|

Type of screening

- Negative/exclusionary screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

| | |
|--|-------------|
| | Description |
|--|-------------|

The selection of relevant companies for the Salm-Salm Climate Leaders Equity Fund draws from a universe equivalent to the MSCI ACWI and is divided into in five steps: first, companies not publically disclosing their carbon emissions are excluded. For remaining companies, a trust metric on the disclosed emission numbers is applied to verify the credibility and quality of the emission number disclosed. Companies with very low quality and non-credible numbers are excluded. In a third round, our data provider removes companies, which show emission intensities lower than their sector peers. Then, the fourth filtering step removes companies with fossil fuel reserves. Finally, the filter looks at the companies' overall climate change management and strategic performance. Hereby, companies with a score lower than a specific threshold on two different scoring methodologies are being removed.

- Positive/best-in-class screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

| Description |
|-------------|
|-------------|

The selection of relevant companies for the Salm-Salm Climate Leaders Equity Fund draws from a universe equivalent to the MSCI ACWI and is divided into five steps: first, companies not publically disclosing their carbon emissions are excluded. For remaining companies, a trust metric on the disclosed emission numbers is applied to verify the credibility and quality of the emission number disclosed. Companies with very low quality and non-credible numbers are excluded. In a third round, our data provider removes companies, which show emission intensities lower than their sector peers. Then, the fourth filtering step removes companies with fossil fuel reserves. Finally, the filter looks at the companies' overall climate change management and strategic performance. Hereby, companies with a score lower than a specific threshold on two different scoring methodologies are being removed.

Norms-based screening

| LEI 04.2 | Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made. |
|----------|---|
|----------|---|

Please see above.

The screening is performed on a quarterly basis with single metrics updates inbetween.

At Salm-Salm, we communicate with our clients and customers on different levels. Climate related disclosure tools include newsletters, factsheets and transparency guidelines.

| LEI 05 | Mandatory | Public | Core Assessed | PRI 1 |
|--------|-----------|--------|---------------|-------|
|--------|-----------|--------|---------------|-------|

| LEI 05.1 | Indicate which processes your organisation uses to ensure screening is based on robust analysis. |
|----------|--|
|----------|--|

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Review and evaluation of external research providers
- Other, specify
- None of the above

| LEI 05.2 | Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy. |
|----------|---|
|----------|---|

- <10%
- 10-50%
- 51-90%
- >90%

LEI 05.3 Indicate how frequently third party ESG ratings are updated for screening purposes.

- Quarterly or more frequently
- Bi-annually
- Annually
- Less frequently than annually

LEI 05.4 Indicate how frequently you review internal research that builds your ESG screens.

- Quarterly or more frequently
- Bi-annually
- Annually
- Less frequently than annually

(B) Implementation: Thematic

LEI 07

Mandatory

Public

Descriptive

PRI 1

LEI 07.1 Indicate the type of sustainability thematic funds or mandates your organisation manages.

- Environmentally themed funds
- Socially themed funds
- Combination of themes

LEI 07.2 Describe your organisation's processes relating to sustainability themed funds. [Optional]

As a matter of principle, we follow a broad approach towards ESG. One exception is our Salm-Salm Climate Leaders Equity Fund, which was specifically set up to address the Paris Climate Accord.

(C) Implementation: Integration of ESG issues

LEI 08




Mandatory

Public

Core Assessed

PRI 1

LEI 08.1 Indicate which ESG factors you systematically research as part of your investment analysis and the proportion of actively managed listed equity portfolios that is impacted by this analysis.

| ESG issues | Proportion impacted by analysis |
|----------------------|--|
| Environmental |  <p data-bbox="491 387 606 544"> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90% </p> |
| Social |  <p data-bbox="491 680 606 837"> <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90% </p> |
| Corporate Governance |  <p data-bbox="491 974 606 1131"> <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90% </p> |

Salm-Salm & Partner GmbH

Reported Information

Public version

Direct - Fixed Income

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ESG incorporation in actively managed fixed income

Implementation processes

| FI 01 | Mandatory | Public | Gateway | PRI 1 |
|---------|---|--------|---------|-------|
| FI 01.1 | Indicate 1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and 2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to. | | | |

| | | |
|---------------------------|-------------------------------------|-----------|
| Corporate (financial) | Screening alone | 0 |
| | Thematic alone | 0 |
| | Integration alone | 0 |
| | Screening + integration strategies | 100 |
| | Thematic + integration strategies | 0 |
| | Screening + thematic strategies | 0 |
| | All three strategies combined | 0 |
| | No incorporation strategies applied | 0 100% |
| Corporate (non-financial) | Screening alone | 0 |
| | Thematic alone | 0 |
| | Integration alone | 0 |
| | Screening + integration strategies | 100 |

| | | |
|--|-------------------------------------|------|
| | Thematic + integration strategies | 0 |
| | Screening + thematic strategies | 0 |
| | All three strategies combined | 0 |
| | No incorporation strategies applied | 0 |
| | | 100% |

FI 01.2 Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

At Salm-Salm, we believe in a broad approach towards ESG. Due to the relatively small convertible bond universe globally, managing investment funds sustainably is best done by applying customized (and often client-specific) screening and integration strategies.

| | | | | |
|--------------|------------------|---------------|----------------------------|--------------|
| FI 03 | Mandatory | Public | Additional Assessed | PRI 1 |
|--------------|------------------|---------------|----------------------------|--------------|

FI 03.1 Indicate how you ensure that your ESG research process is robust:

- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits of ESG research are undertaken in a systematic way
- ESG analysis is benchmarked for quality against other providers
- Other, specify
- None of the above

FI 03.2 Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

(A) Implementation: Screening

| | | | | |
|-------|-----------|--------|---------|-------|
| FI 04 | Mandatory | Public | Gateway | PRI 1 |
|-------|-----------|--------|---------|-------|

FI 04.1 Indicate the type of screening you conduct.

Select all that apply

| | Corporate (financial) | Corporate (non-financial) | |
|----------------------------------|-------------------------------------|-------------------------------------|--|
| Negative/exclusionary screening | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Positive/best-in-class screening | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Norms-based screening | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | |

FI 04.2 Describe your approach to screening for internally managed active fixed income

We incorporate sustainability ratings provided by third party service providers and renowned experts in our selection process, which prevents us from investing into companies with questionable corporate governance, business malpractices or proven misbehaviour.

After the first step of our selection process, only a quarter of the initial 1000 securities remain part of the universe. The remaining securities are further examined as part of our fundamental analysis based on our 30 parameter model. The 150 top picks are candidates for portfolio allocation while only some (40-80) are eligible for investment and will form part of the final portfolio.

In addition, all remaining companies are carefully screened for violations of our internal sustainability criteria by our research partner. Only companies with high marks in our proprietary scoring model will pass. We have a combined negative screening and best-in-class approach in place.

| | | | | |
|-------|-----------|--------|-------------|-------|
| FI 05 | Mandatory | Public | Descriptive | PRI 1 |
|-------|-----------|--------|-------------|-------|

Corporate (financial)

Corporate (fin)

- For legal reasons
- For non-legal reasons

Corporate (non-financial)

Corporate (non-fin)

- For legal reasons
- For non-legal reasons

| | |
|----------------|--|
| FI 05.2 | Describe your approach to ESG-based negative screening of issuers from your investable universe. |
|----------------|--|

At Salm-Salm, we have put in place a combined negative and best-in-class selection strategy based on the exclusion criteria described earlier and a customised sustainability rating (scoring model) developed and provided by a third party service contractor.

| | | | | |
|--------------|------------------|---------------|----------------------|--------------|
| FI 07 | Mandatory | Public | Core Assessed | PRI 1 |
|--------------|------------------|---------------|----------------------|--------------|

| | |
|----------------|---|
| FI 07.1 | Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments. |
|----------------|---|

| Type of screening | Checks |
|---|--|
| Negative/exclusionary screening? | <input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above |
| Positive/best-in-class screening | <input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above |
| Norms-based screening | <input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above |

(C) Implementation: Integration

| | | | | |
|--------------|------------------|---------------|--------------------|--------------|
| FI 11 | Mandatory | Public | Descriptive | PRI 1 |
|--------------|------------------|---------------|--------------------|--------------|

FI 11.1 Describe your approach to integrating ESG into traditional financial analysis.

As described earlier, both selection processes - financial and ESG - are intertwined and performed in tandem as opposed to being separated from each other. A company with poor financials but convincing ESG profile won't be selected. The same way as a company with sound financials but weak ESG profile won't be selected.

Corporate (financial)

The same process applies.

Corporate (non-financial)

The same process applies.

| | | | | |
|--------------|------------------|---------------|----------------------|--------------|
| FI 12 | Mandatory | Public | Core Assessed | PRI 1 |
|--------------|------------------|---------------|----------------------|--------------|

FI 12.1 Indicate how ESG information is typically used as part of your investment process.

Select all that apply

| | Corporate (financial) | Corporate (non-financial) | |
|---|-------------------------------------|-------------------------------------|--|
| ESG analysis is integrated into fundamental analysis | <input type="checkbox"/> | <input type="checkbox"/> | |
| ESG analysis is integrated into security weighting decisions | <input type="checkbox"/> | <input type="checkbox"/> | |
| ESG analysis is integrated into portfolio construction decisions | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | |
| ESG analysis is a standard part of internal credit ratings or assessment | <input type="checkbox"/> | <input type="checkbox"/> | |
| ESG analysis for issuers is a standard agenda item at investment committee meetings | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | |
| ESG analysis is regularly featured in internal research notes or similar | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | |
| ESG analysis is a standard feature of ongoing portfolio monitoring | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | |
| ESG analysis features in all internal issuer summaries or similar documents | <input type="checkbox"/> | <input type="checkbox"/> | |
| Other, specify | <input type="checkbox"/> | <input type="checkbox"/> | |

| | | | | |
|-------|-----------|--------|---------------------|-------|
| FI 13 | Mandatory | Public | Additional Assessed | PRI 1 |
|-------|-----------|--------|---------------------|-------|

FI 13.1 Indicate the extent to which ESG issues are reviewed in your integration process.

| | Environment | Social | Governance |
|---------------------------|---|--|--|
| Corporate (financial) | <div style="background-color: #0072bc; color: white; padding: 2px;">Environmental</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all | <div style="background-color: #0072bc; color: white; padding: 2px;">Social</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all | <div style="background-color: #0072bc; color: white; padding: 2px;">Governance</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all |
| Corporate (non-financial) | <div style="background-color: #0072bc; color: white; padding: 2px;">Environmental</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all | <div style="background-color: #0072bc; color: white; padding: 2px;">Social</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all | <div style="background-color: #0072bc; color: white; padding: 2px;">Governance</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all |

Corporate (financial)

The third party service providers we work with are reviewed by certification bodies and regulated by the European quality standard CSRR. The monthly updated screening lists that are provided to us are subject to internal revision without prior notice. In cases where we detect any problem or irregularity we will inform our contractor and request a detailed explanation. In the past, this has been occasionally the case.

Corporate (non-financial)

The third party service providers we work with are reviewed by certification bodies and regulated by the European quality standard CSRR. The monthly updated screening lists that are provided to us are subject to internal revision without prior notice. In cases where we detect any problem or irregularity we will inform our contractor and request a detailed explanation. In the past, this has been occasionally the case.

Salm-Salm & Partner GmbH

Reported Information

Public version

Assurance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Assurance

| | | | | |
|----------|-----------|--------|---------------|---------|
| CM1 01.1 | Mandatory | Public | Core Assessed | General |
|----------|-----------|--------|---------------|---------|

New selection options have been added to this indicator. Please review your prefilled responses carefully.

| | |
|----------|---|
| CM1 01.1 | Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone: |
|----------|---|

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year)
- Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
 - Whole PRI Transparency Report has been internally verified
 - Selected data has been internally verified
- Other, specify
- None of the above

| | | | | |
|-----------------|-----------|--------|-------------|--|
| CM1 01.2 & 01.8 | Mandatory | Public | Descriptive | |
|-----------------|-----------|--------|-------------|--|

| | |
|----------|--|
| CM1 01.2 | Do you plan to conduct third party assurance of this year's PRI Transparency report? |
|----------|--|

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

| | | | | |
|-----------------|-----------|--------|-------------|---------|
| CM1 01.3 & 01.9 | Mandatory | Public | Descriptive | General |
|-----------------|-----------|--------|-------------|---------|

| | |
|----------|---|
| CM1 01.3 | We undertook third party assurance on last year's PRI Transparency Report |
|----------|---|

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report, or we did not have such a report last year.

| | | | | |
|-----------------|-----------|--------|-------------|---------|
| CM1 01.4, 10-12 | Mandatory | Public | Descriptive | General |
|-----------------|-----------|--------|-------------|---------|

CM1 01.4

We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

We adhere to an RI certification or labelling scheme

CM1 01.10

Which scheme?

National SRI label based on the EUROSIF Transparency guidelines

% of total AUM the scheme applies

< 25%

25-50 %

50-70 %

>75 %

B-corporation

UK Stewardship code

GRESB

Commodity type label (e.g. BCI)

Social label

Climate label

Specify

"Climate Transparent Investment" certified by South Pole Group

% of total AUM the scheme applies

< 25%

25-50 %

50-70 %

>75 %

RIAA

Other

We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report

ESG audit of holdings

Other, specify

None of the above

CM1 01.7

Mandatory

Public

Descriptive

General

CM1 01.7

Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

Who has conducted the verification

CEO or other Chief-Level staff

Sign-off or review of responses

Sign-off

Review of responses

The Board

Investment Committee

Compliance Function

RI/ESG Team

Investment Teams

Legal Department

Other (specify)