



LEA 02	Disclosures Monetary	Reason Gateway	Principle PRI 1,2,3
<p><b>Type of engagement</b> Individual/internal staff engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or other specific</li> <li><input type="checkbox"/> We do not engage in internal staff</li> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input type="checkbox"/> To influence corporate practice or identify the need for additional or other specific</li> <li><input type="checkbox"/> We do not engage in collaborative engagements</li> </ul>	<p><b>Type of engagement</b> Collaborative engagements</p>	
	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or other specific</li> <li><input type="checkbox"/> We do not engage in collaborative engagements</li> </ul>	<p><b>Type of engagement</b> Service provider engagements</p>	

# RI TRANSPARENCY REPORT

## 2014/15

BayernInvest Kapitalverwaltungsgesellschaft mbH

## 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 2014-15 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 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	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Private	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Private	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 09	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 10	Description of ESG integration	✓	Private	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 14	ESG issues in index construction	✓	Private	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	🔒	n/a		✓					
LEA 02	Reasoning for interaction on ESG issues	🔒	n/a	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	🔒	n/a		✓					
LEA 04	Objectives for engagement activities	🔒	n/a		✓					
LEA 05	Process for identifying and prioritising engagement activities	🔒	n/a		✓					
LEA 06	Objectives for engagement activities	🔒	n/a		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	🔒	n/a	✓	✓					
LEA 10	Tracking number of engagements	🔒	n/a		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	🔒	n/a		✓					
LEA 12	Engagements on E, S and/or G issues	🔒	n/a		✓					
LEA 13	Companies changing practices / behaviour following engagement	🔒	n/a		✓					
LEA 14	Examples of ESG engagements	🔒	n/a		✓					
LEA 15	Disclosure of approach to ESG engagements	🔒	n/a		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Private		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	✓	Public		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	✓	Private		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
FI 03	Description of ESG incorporation	✓	Private	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Private	✓						
FI 06	Types of screening applied	✓	Public	✓						
FI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
FI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	🔒	n/a	✓						
FI 11	Review of ESG issues while researching companies/sectors	🔒	n/a	✓						
FI 12	Processes to ensure integration is based on robust analysis	🔒	n/a	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	🔒	n/a	✓						
FI 14	ESG issues in index construction	✓	Private	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
FI 19	Engagement with corporate issuers	✓	Private		✓					
FI 20	Engagement with government issuers	🔒	n/a		✓					

# BayernInvest Kapitalverwaltungsgesellschaft mbH

## Reported Information

## Public version

## Organisational Overview

## 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.



## Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1

Select the services 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

Administration Service (Master-KVG services)

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

Execution and advisory services

OO 01.2

Additional information. [Optional]

BayernInvest Kapitalverwaltungsgesellschaft mbH (thereafter BayernInvest) offers active and passive asset management as well as master fund administration services (so called Master-KVG services). Most of the assets are invested in segregated accounts according to German law (Deutscher Spezial-AIF), mutual funds for institutional clients and managed accounts.

OO 02

Mandatory

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

<b>OO 02.3</b>	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).
<b>FTE</b>	164
<b>OO 02.4</b>	Additional information. [Optional]

<b>OO 03</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>General</b>
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<b>OO 03.1</b>	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.
<input type="radio"/> Yes <input checked="" type="radio"/> No	
<b>OO 03.3</b>	Additional information. [Optional]

BayernInvests parent company BayernLB has additional ESG Ratings.  
 Please refer to [www.bayernlb.de](http://www.bayernlb.de) for additional information

<b>OO 04</b>	<b>Mandatory</b>	<b>Gateway/Peering</b>	<b>General</b>
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<b>OO 04.1</b>	Indicate the year end date for your reporting year.
31/12/2014	
<b>OO 04.2</b>	Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		60	155	675	552
Currency	EUR				
Assets in USD		78	893	637	650

<b>OO 04.5</b>	Indicate the level of detail you would like to provide about your asset class mix.
<input checked="" type="radio"/> Approximate percentage breakdown to the nearest 5% (e.g. 45%) <input type="radio"/> Broad ranges breakdown (i.e. <10%; 10-50%; >50%)	

OO 04.6

Additional information. [Optional]

Please note that we provide asset breakdown in a look through perspective, not on strategy level.

OO 06

Mandatory

Descriptive

General

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown  
 Publish our asset class mix as broad ranges

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

	'Other (1)' specified
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other include not exactly assignable investments

- Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png,.bmp and .gif)

<b>OO 06.2</b>	Additional information. [Optional]
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Please note that most of the externally managed Assets refer to our Administration Services/ Master-KVG business.

## Gateway asset class implementation indicators

<b>OO 10</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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<b>OO 10.1</b>	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.
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- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- None of the above

<b>OO 10.2</b>	Indicate if your combined internally and externally managed listed equities are 10% or more of your total AUM.
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- Yes, our total listed equities are 10% or more of our total AUM
- No, our total listed equities are less than 10% of our total AUM

<b>OO 10.3</b>	Additional information. [Optional]
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Please note that most of the externally managed Assets refer to our Administration Services/ Master-KVG business.

<b>OO 11</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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**OO 11.1**

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Fixed Income – other
- Cash
- Other (1)
- None of the above

'Other (1)' [as defined in OO 05]

other include not exactly assignable investments

**OO 11.2**

Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Fixed Income – other
- Cash
- Other (1)
- None of the above

'Other (1)' [as defined in OO 05]

other include not exactly assignable investments

**OO 12****Mandatory****Gateway****General****OO 12.1**

The modules and sections that you will be required to complete are listed below.

*This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.*

**Core modules**

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

**RI implementation directly or via service providers**

Direct - Listed Equity incorporation

Listed Equity incorporation

Direct - Listed Equity active ownership

(Proxy) voting

Direct - Fixed Income

Fixed Income - Corporate

**Closing module**

Closing module

# BayernInvest Kapitalverwaltungsgesellschaft mbH

## Reported Information

## Public version

## Overarching Approach

## PRI disclaimer

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## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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**OA 01.1** Indicate if you have a responsible investment policy.

- Yes  
 No

**OA 01.2** Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes  
 No

**OA 01.3** Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

Sustainable corporate management is based at BayernInvest on 4 pillars:

- Environmental management
- Sustainable human resource management
- Sustainable asset management products
- Social engagement

Environmental management includes protection of natural resources, secure and sustainable energy supply and reduction of company specific carbon footprint, e.g. via subsidisation of the use of public transport services or supporting the CDP.

Key points of the sustainable HR management are personal development, offering apprenticeship for young professionals and health protection.

Within the asset management products we follow a transparent and consequent sustainability philosophy. Sustainability is also integrated in our investment processes (e.g. exclusion of producers of banned weapons, no investments in agricultural commodities).

Social engagement is incorporated in supporting corporate volunteering projects.

BayernInvest offers a dedicated sustainable equity strategy - BayernInvest Aktien Nachhaltigkeit Europa:

BayernInvest believes that investor awareness for ESG issues in the investment industry will constantly rise.

BayernInvest believes that companies acting sustainably will be in general more successful, because:

- A positive ecological and social approach is becoming a more and more important competitive edge.
- The demand for ecological and social acceptable products and services will rise.
- There arise significant cost advantages by saving resources.
- The risk profile of sustainable acting companies is significantly better.

BayernInvest believes that value strategies will outperform the overall market, because:

- Financial studies (e.g. Lakonishok) witness, that value oriented securities offer advantages over a long term horizon in developed markets like Europe.
- The traditional value approach by Benjamin Graham has proven its outperformance over the last decades.

The investment universe for the BayernInvest Aktien Nachhaltigkeit Europa strategy is STOXX Europe. oekom research AG screens all securities according to our positive and negative criteria and classifies them by using ratings A to D- (A = best rating). oekom provides also ratings for investment ideas, which are not currently covered. Additionally we seek for investment ideas outside our universe, if they meet the sustainability criteria. The screened investment universe contains securities complying with our sustainability criteria and at least a C rating. The second part of our screening is a value screening on the reduced investment universe. For this reason



we make use of following quantitative and behavioural analyses: Multiple Screening: The multiple screening analyses P/BV, P/CF, EV/Sales and EV/EBIT figures to create a "value group" of the 50 most attractive securities and a "glamour group" of the 50 most unattractive securities. Contrarian Screening: The contrarian screening rates the reduced investment universe by using negative performance over the last 3 years and negative research analyst ratings. We thus screen for undervalued securities in order to detect valuations that do not reflect the real value of the company. We also create a "value group" and a "glamour group" of the 50 most attractive and unattractive securities. We will only invest in the "value group" securities and avoid investing in "glamour group" securities.

Value Trend Analyses: The value trend analyses are a soft factor screening of publications of traditional value investors. We try to identify investment trends of big investors, because it may be not appropriate to invest against leading investors, who could possibly influence value investments. In summary, we use a dual and equal weighted approach simultaneously for our BayernInvest Aktien Nachhaltigkeit Europa strategy. Besides to the value screening we also use the results of the sustainability research in our portfolio construction.

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1	Indicate if your responsible investment policy is publicly available.
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Yes

OA 02.2	Provide a URL to your responsible investment policy.
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	URL
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<http://www.bayerninvest.de>

No

OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.
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Yes

Yes, all

Yes, some

OA 02.4	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.
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Policy or document name	URL
Conflict of interest policy	<a href="http://www.bayerninvest.de">http://www.bayerninvest.de</a>
Compliance Convention on Cluster Bombs	<a href="http://www.bayerninvest.de">http://www.bayerninvest.de</a>
Carbon Disclosure Project	<a href="http://www.bayerninvest.de">http://www.bayerninvest.de</a>
Corporate Governance	<a href="http://www.bayerninvest.de">http://www.bayerninvest.de</a>
Voting Policy	<a href="http://www.bayerninvest.de">http://www.bayerninvest.de</a>

No

<b>OA 02.5</b>	Additional information. [Optional]
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Please note that the answers above refer only to assets managed by BayernInvest and do not include Assets for which BayernInvest assumes only administrative responsibility (Master-KVG).

For assets under administration only the outsourced manager has overall responsibility. This refers to almost all external managed assets.

<b>OA 03</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1,2</b>
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<b>OA 03.1</b>	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
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Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<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

**OA 03.3** Additional information. [Optional]

Please note that the answers above refer only to assets managed by BayernInvest and do not include Assets for which BayernInvest assumes only administrative responsibility (Master-KVG).

For assets under administration only the outsourced manager has overall responsibility. This refers to almost all external managed assets.

**OA 04**

**Mandatory**

**Core Assessed**

**General**

**OA 04.1**

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

Yes

**OA 04.2**

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

BayernInvest follows strictly its conflict of interest policy, which is implemented into all processes. This policy is available at [www.bayerninvest.de](http://www.bayerninvest.de). Monitoring regularly the compliance of the processes is a key part of the internal and external audit.

BayernLB and (as a member of the group) BayernInvest and its employees regard acting in a lawful, ethical and responsible way as a fundamental and essential part of their corporate and social responsibility.

Breaches of law and ethics harm the reputation of our firm. They affect the way the general public perceives us and influence the attitude of customers, owners and business partners. An absence of trust in the integrity and reliability of BayernInvest would remove the most important basis of sustainable business success.

Our duties extend far beyond simply observing rules. All employees have to apply propriety and judgement to maintain a corporate culture that discharges our social responsibility and allows us to move ahead in a sustainable manner.

This code of conduct is intended to serve as a standard guideline in our daily activities. By following it carefully we will be doing more than just treating each other fairly. We will also be contributing towards our most important objective - sustainable business success compatible with our social responsibility.

No

**Objectives and strategies**

**OA 05**

**Mandatory**

**Gateway/Core Assessed**

**General**

**OA 05.1**

Indicate if your organisation sets objectives for its responsible investment activities.

Yes

**OA 05.2**

Indicate how frequently your organisation sets or revises objectives for responsible investment.

At least once per year

Less than once per year

**OA 05.3**

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
- Biannually
- Annually
- Every two years or less
- It is not reviewed
- No

**OA 05.4**

Additional information. [Optional]

BayernInvest reviews the performance of its asset management mandates at least monthly.

## Governance and human resources

**OA 08**

**Mandatory**

**Gateway/Core Assessed**

**General**

**OA 08.1**

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
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- 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
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
  - Legal services, Investment controlling, Compliance,**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Other role, specify

**OA 08.2**

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

Number

4

## Promoting responsible investment

## OA 10.1

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]

BayernInvest supports actively the Reporting and Assessment Steering Committee of the PRI by delegating an BayernInvest employee.

- Asian Corporate Governance Association  
 Association for Sustainable & Responsible Investment in Asia  
 Australian Council of Superannuation Investors  
 CDP Climate Change

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

- Basic  
 Moderate  
 Advanced  
 CDP Forests  
 CDP Water  
 CFA Institute Centre for Financial Market Integrity

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]

BayernInvest collaborates indirectly with the CFA institute as many employees are CFA chartholder or candidates.

- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- 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)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify  
BVI (BVI Bundesverband Investment und Asset Management e.V.)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

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

- Yes

**OA 11.2**

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No



# BayernInvest Kapitalverwaltungsgesellschaft mbH

## Reported Information

### Public version

### Direct - Listed Equity Incorporation

## PRI disclaimer

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## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
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**LEI 03.1**

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.

#### ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	 99
--	--------

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

Percentage of actively managed listed equities to which each strategy or combination of strategies is applied - you may (estimate +/- 10%)	 1
--	-------

- No incorporation strategies applied

Total actively managed listed equities

100%

**LEI 03.2**

Describe your primary reasons for choosing a particular ESG incorporation strategy.

BayernInvest excludes for all in-house managed assets producers of banned weapons from its portfolios.

BayernInvest offers customised investment solutions for institutional clients. This includes the offer of optional services to include various sustainability exclusion criteria and offering the "Aktien Nachhaltigkeit Europa" strategy, which includes sustainable criteria and ratings in the asset selection process.

**LEI 03.3**

Where assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

BayernInvest uses a combination of ESG incorporation strategies in the BayernInvest Aktien Nachhaltigkeit Europa strategy (also implemented in DKB Zukunftsfonds).

BayernInvest believes in a coexistence of acting sustainable and long-term business success and screens for investments including both, meeting sustainability and investment criteria. The investment process of the "BayernInvest Aktien Nachhaltigkeit Europa" strategy consists of an equal weighted decision making process of sustainability criteria and financial figures. The sustainability part of the investment process screens for compliance with ecological, economical and social sustainability. The financial part of the investment process screens for undervalued companies according to our value screening process, which is based on traditional value investing in the tradition of Benjamin Graham. The investment process merges our approaches of investment criteria and sustainable criteria to create the portfolio of 40 - 50 securities. The investment process is completed with a strict risk management.

BayernInvest also incorporates ESG implementation in DKB Ökofonds, a global sustainable equity fund focussing on companies which engage in ecological and climate protection.

## (A) Implementation: Screening

LEI 06

Mandatory

Descriptive

PRI 1

**LEI 06.1**

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

BayernInvest excludes for all self managed strategies producers of banned weapons (according UN convention)

BayernInvest excludes in its dedicated sustainable equity strategies companies, which have a major part of business areas in:

**Alcohol**

- Producer of high percentage beverages/ food

**Nuclear Energy**

- Nuclear power plant operators
- Uranium producers
- Manufacturer of key components for nuclear power plants ( > 5%)

**Green Genetic Engineering****Pornography**

**Armaments production**

**Tobacco production**

and business practices in:

**Violation of labour rights**

- Freedom of assembly and of association
- Forced labour
- Discrimination

**Child labour**

**Infringements of human rights**

**Animal experiments**

**Business malpractices**

- Corruption
- Balance sheet fraud

- Positive/best-in-class screening

**Screened by**

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

	Description
--	-------------

BayernInvest uses positive criteria in its dedicated sustainable equity strategies companies, which have a major part of its business in:

- Social standards, which affects persons by companies business
- Cultural standards, which affects society and civilizations
- Ecological standards, which affects ecological aspects

- Norms-based screening

**Screened by**

- UN Global Compact Principles
- Universal Declaration of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify  
Frankfurt-Hohenheimer Leitfaden

Description
-------------

The sustainability rating bases on the Frankfurt-Hohenheimer guideline (Frankfurt-Hohenheimer Leitfaden).

The sustainability rating is used at BayernInvest not only for restricting the investment universe but also as a key component in the investment decision and for portfolio allocation (positive criteria).

<b>LEI 06.2</b>	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.
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BayernInvest uses criteria provided by our partner oekom research AG. This includes regular contact with clients and service providers to review the criteria.

<b>LEI 07</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>LEI 07.1</b>	Indicate which processes your organisation uses to ensure that screening is based on robust analysis.
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- 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
- Company ESG information/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
- Other, specify
- None of the above

## (B) Implementation: Thematic

<b>LEI 09</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>LEI 09.1</b>	Indicate the type of sustainability thematic funds or mandates that your organisation manages.
-----------------	--

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

<b>LEI 09.2</b>	Describe your organisation's processes for sustainability themed funds. [Optional]
-----------------	--

### **BayernInvest "Aktien Nachhaltigkeit Europa" strategy:**

As BayernInvest believes in a coexistence of acting sustainable and long-term business success, screening for investments includes both, meeting sustainability and investment criteria. The investment process of the BayernInvest Aktien Nachhaltigkeit Europa strategy consists of an equal weighted decision making process of sustainability criteria and financial figures. The sustainability part of the investment process screens for

compliance with ecological, economical and social sustainability. The financial part of the investment process screens for undervalued companies according to our value screening process, which is based on traditional value investing in the tradition of Benjamin Graham. The investment process merges our approaches of investment criteria and sustainable criteria to create the portfolio of 40 - 50 securities. The investment process is completed with a strict risk management.

The equity fund **DKB Ökofonds** invests in international equities of the ecological sector. This means that most of the business of the companies within the investment universe has to be renewable or alternative energy, water, climate protection energy efficient mobility. Additionally to the economic strength, sustainability and companies compliance to the code of conduct is an investment decision criteria.

### (C) Implementation: Integration of ESG issues

LEI 11	Mandatory	Core Assessed	PRI 1
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LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
----------	---

ESG issues	Coverage/extent of review on these issues
Environmental	<input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

LEI 11.2	Additional information. [Optional]
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We mainly use research material of our external partner oekom research AG

### Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
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**LEI 18.1**

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only

**LEI 18.5**

Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

**LEI 18.6**

Indicate how frequently you typically report this information.

- Quarterly or more frequently
  - Between quarterly and annually
  - Less frequently than annually
  - Other, specify
- We do not proactively disclose it to the public and/or clients/beneficiaries

**LEI 18.7**

Additional information. [Optional]

BayernInvest fully discloses ESG incorporation in listed equity to all clients. This also includes disclosing ESG incorporation on firm level, e.g. exclusion of producers of cluster munition on our web page.

# BayernInvest Kapitalverwaltungsgesellschaft mbH

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## (Proxy) voting and shareholder resolutions

### Process

LEA 17	Mandatory	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
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	Approach
--	----------

- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

	Based primarily on
--	--------------------

- the service provider voting policy signed off by us
- our own voting policy
- our clients requests or policy
- other, explain
- We hire service provider(s) which make voting decisions on our behalf.

LEA 18	Mandatory	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 18.1	Of the voting recommendations that your service provider made in the reporting year, indicate what percentage your organisation reviewed, and the reasons for the review.
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#### Percentage of voting recommendations your organisation reviewed

- >20%
- 5-20%
- 1-5%
- <1%

#### Reasons for review

- Specific ESG issues
- Votes where a significant level of ownership is held
- Votes against management or abstentions
- Conflicts of interest
- Corporate actions such as M&A, disposal, etc.
- Other, explain

We generally review voting recommendations

LEA 21	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
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- Yes, in most cases
- Sometimes, in the following cases:
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA 21.2	Additional information. [Optional]
----------	------------------------------------

BayernInvest cooperates with Deutsche Schutzvereinigung für Wertpapierbesitz (DSW) for voting.

## Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
----------	---

- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

90

	Specify the basis on which this percentage is calculated
--	--

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

**LEA 22.2**

If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]

Please understand that this figure represents the equities for which BayernInvest has asset management responsibility. Due to outsourced asset managers in Master-KVG mandates additional votes may be done by outsourced managers.

We do not track or collect this information

**LEA 22.3**

Additional information. [Optional]

BayernInvest has been represented in 2014 at 219 annual general meetings by its cooperation partner.

## Communication

**LEA 26****Mandatory****Core Assessed****PRI 2,6****LEA 26.1**

Indicate if your organisation proactively discloses information on your voting activities.

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

**LEA 26.8**

Additional information. [Optional]

BayernInvest cooperates with Deutsche Schutzvereinigung für Wertpapierbesitz (DSW) for voting, which discloses the voting activities on an overall level.

# BayernInvest Kapitalverwaltungsgesellschaft mbH

## Reported Information

### Public version

#### Direct - Fixed Income

## PRI disclaimer

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## ESG incorporation in actively managed fixed income

### Fixed Income - Corporate

#### Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
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FI 04.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.

#### ESG incorporation strategy (select all that apply)

Screening alone (i.e. not combined with any other strategies)

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	%
	100

- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening + Integration strategies
- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Total actively managed fixed income - corporate

100%

FI 04.2

Describe your primary reasons for choosing a particular incorporation strategy.

BayernInvest does not invest in issues of producers of cluster munition for all self managed portfolios.

#### (A) Implementation: Screening

FI 06	Mandatory	Descriptive	PRI 1
-------	-----------	-------------	-------

FI 06.1

Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments.

**Type of screening**

- Negative/exclusionary screening

**Screened by**

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

Description

BayernInvest excludes producers of cluster munition from self managed portfolios. Additionally we are ready happy to discuss integrating additional negative screenings in new mandates.

- Positive/best-in-class screening

**Screened by**

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

Description

BayernInvest manages credit and covered bond mandates, for which a positive list is defined to limit the investment universe according to clients ESG guidelines. Additionally we are ready happy to discuss integrating additional positive screenings in new mandates.

- Norms-based screening

FI 06.2

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.

BayernInvest regularly reviews the screening criteria and cooperates with oekom Research AG to identify issuer affected by the criteria. This includes proactive information of our clients who invest in portfolios managed by us, which integrate ESG criteria into the investment process.

FI 07

Mandatory

Core Assessed

PRI 1

**FI 07.1**

Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.

- Comprehensive research is undertaken or sourced to determine issuers' ESG performance
- Issuers 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 issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

**FI 07.2**

Additional information. [Optional]

BayernInvest cooperates with oekom research AG for ESG research.

**Communication****FI 18****Mandatory****Core Assessed****PRI 2,6****FI 18.1**

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

- We disclose it publicly
- We disclose it to clients/beneficiaries only

**FI 18.5**

Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

**FI 18.6**

Indicate how frequently you typically report this information.

- Quarterly or more frequently
  - Between quarterly and annually
  - Less frequently than annually
  - Other, specify
- We do not proactively disclose it to the public and/or clients/beneficiaries

BayernInvest fully discloses the ESG incorporation in listed equity to all clients. This includes also disclosing ESG incorporation on firm level, e.g. exclusion of producers of cluster munition on the web page.