



LEA 02	Disclosures Monetary	Reason for interaction	Principle PRI 1,2,3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input checked="" type="checkbox"/> To engage internal staff</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input checked="" type="checkbox"/> To engage internal staff</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	
Collaborative engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input checked="" type="checkbox"/> To engage internal staff</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input checked="" type="checkbox"/> To engage internal staff</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	
Service provider engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input checked="" type="checkbox"/> To engage internal staff</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input checked="" type="checkbox"/> To engage internal staff</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	

# RI TRANSPARENCY REPORT

## 2013/14

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 2013-14 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. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly 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.

## PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

# 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	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	🔒	n/a							✓
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	✓	Public							✓
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	✓	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	✓	Public	✓						
FI 02	Breakdown of investments by credit quality	✓	Public							✓
FI 03	Description of ESG incorporation	✓	Public	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Public	✓						
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	✓	Public	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	✓	Public	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	🔒	n/a	✓						
FI 14	ESG issues in index construction	🔒	n/a	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Public	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
FI 19	Engagement with corporate issuers	✓	Public		✓					
FI 20	Engagement with government issuers	🔒	n/a		✓					

# Salm-Salm & Partner GmbH

## 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

Execution and advisory only services

OO 01.2

Additional information. [Optional]

We offer one convertible bond fund which applies a responsible investment approach in cooperation with oekom research.

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

OO 02.3

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

FTE

18

OO 03

Mandatory

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

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

31/12/2013

OO 04.2

Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM			300	000	000
Currency	EUR				
Assets in USD			395	158	227

OO 04.3

Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

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

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income – corporate	100	0
Fixed income – government	0	0
Fixed income – other	0	0
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	0	0
Other (1), specify	0	0
Other (2), specify	0	0

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

OO 08	Mandatory to Report Voluntary to Disclose	Peering	General
-------	---	---------	---------

OO 08.1	Indicate the breakdown of your organisation's AUM by market.
---------	--

Market breakdown	% of AUM
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 %

OO 09	Voluntary	Descriptive	General
-------	-----------	-------------	---------



<b>OO 09.1</b>	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
----------------	---

**Sustainability: A Family Tradition**

The family of Prinz zu Salm-Salm has demonstrated a commitment to sustainability for 32 generations in wine-growing and in agriculture/ forestry business. For past 800 years, the family has gained knowledge, insights and experience in sustainable business development and passed it on from one generation to another.

To this day, a respectful treatment of the nature is embedded in the daily routine at Salm-Salm family because it believes that only in a healthy soil, the future generations can operate successfully. As an example of the family's commitment to this philosophy, Prinz Michael zu Salm-Salm in 1988 changed the family winery to become first leading vineyards in Germany to adopt organic farming. His father was the member of "Arbeitsgemeinschaft Naturgemäßer Waldwirtschaft" (Association of Natural Forestry) since 1980.

We believe in the companies and business models that also care for people and environment and not focus only on short-term profit maximization. Our primary goal is sustainable value creation and wealth preservation. Salm-Salm& Partner believes that a holistic and ESG (Environmental, Social and Governance) oriented strategy has a better long term risk and return profile.

Signed the UN PRI (Principles for responsible investment)

Salm-Salm& Partner is a signatory of the United Nations Principles of Responsible Investment (UN PRI). The UN PRI Finance initiative was established in 2006 under the leadership of Kofi Annan. Until now only 32 companies in Germany and 1099 companies in the world have signed the agreement to commit to the six strict principles. Under the principles, it is required to incorporate ESG (Environmental, Social and Corporate Governance) criteria into investment analysis and decision making processes.

**Gateway asset class implementation indicators**

<b>OO 11</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
--------------	------------------	----------------	----------------

<b>OO 11.1</b>	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
- None of the above

<b>OO 11.3</b>	Additional information. [Optional]
----------------	------------------------------------

convertible bonds only.

<b>OO 12</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
--------------	------------------	----------------	----------------

**OO 12.1**

The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, 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. Direct - Fixed Income and Infrastructure are always voluntary.

**Core modules**

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

**RI implementation directly or via service providers**

Direct - Fixed Income

- Fixed Income - Corporate

**Closing module**

- Closing module

**Note:** Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

# Salm-Salm & Partner GmbH

## Reported Information

## Public version

## Overarching Approach

## 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.

## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
-------	-----------	-----------------------	---------

**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]

It is easier to talk about values of sustainability than it is to put them into practice. While selecting each security for the fund, Salm-Salm& Partner takes into consideration not only the economic reasons, but also the environmental and social aspects. By collaborating with oekom research, it is possible to find and invest into the companies that make their decisions not only on economic basis but also incorporate sustainability criteria. Furthermore a number of exclusion criteria is applied to the selection of companies, e.g. with regard to their respect of the UN Global Compact Principles.

We believe in the companies and business models that also care for people and environment and not focus only on short-term profit maximization. Our primary goal is sustainable value creation and wealth preservation. Salm-Salm& Partner believes that a holistic and ESG (Environmental, Social and Governance) oriented strategy has a better long term risk and return profile.

OA 02	Mandatory	Core Assessed	PRI 6
-------	-----------	---------------	-------

**OA 02.1** Indicate if your responsible investment policy is publicly available.

- Yes
- No

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

- Yes
- No

OA 03	Mandatory	Core Assessed	PRI 1,2
-------	-----------	---------------	---------

**OA 03.1** | Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input 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 type="radio"/> Applicable policies cover a majority of AUM <input checked="" type="radio"/> Applicable policies cover a minority of AUM

**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
- 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

## Governance and human resources

OA 07

Voluntary

Descriptive

General

OA 07.1

Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

In order to implement sustainability (ESG) criteria in the daily workflow, Salm-Salm& Partner has developed a quantitative method, which incorporates oekom research ratings and screening for exclusion criteria within the quantitative analysis of mutual fund holdings and its possible investment universe. The results are cross checked on weekly basis by the full management team and in-house transparent to analysts and other members of the team. Each fund manager has one co-manager as his backup who is reviewing any changes within the respective fund on a daily basis. Also the weekly fund management meetings are held to review any action in the funds. Before a fund manager buys into an investment, which is not yet a holding of the respective fund, he or she will check the screening of the convertible bond universe provided by oekom research in order to identify the relevant sustainability parameters and/or exclusion criteria.

### Cooperation with oekom research

The cooperation with the rating agency oekom research guarantees an alignment to strict sustainability criteria while selecting the bonds for the Sustainability Fund of Salm-Salm family of funds. oekom research AG is one of the world's leading and fully independent rating agencies in the sustainable investment segment. Since 1993, oekom research has provided highest quality standards in corporate and country research (Certified according to Quality Standard CSRR-QS 2.1). The current universe of rated entities consists of over 3000 companies and 55 countries and continues to grow in order to combine sustainable investments with good returns. As an experienced partner of several institutional investors and financial service providers, oekom research provides custom products and investment strategy in a rapidly growing market.

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

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
- 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
- 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
- Other role, specify

**Promoting responsible investment**

OA 10	Mandatory	Core Assessed	PRI 4,5
-------	-----------	---------------	---------

**OA 10.1** Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

Yes

**OA 10.2** 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**

- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- 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
- 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]

Member and implementation in cooperation with oekom research on our funds.

- 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
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

No



OA 10.3	Additional information. [Optional]
---------	------------------------------------

-

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

### Assurance of responses

OA 19	Voluntary	Additional Assessed	General
-------	-----------	---------------------	---------

OA 19.1	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.
---------	---

Yes

OA 19.2	Indicate who has reviewed, validated and/or assured your reported information.
---------	--

- Reviewed by Board, CEO, CIO or Investment Committee
- Validated by internal audit or compliance function
- Assured by an external independent provider, specify name  
oekom research

**OA 19.3**

Describe the steps you have taken to review, validate and/or assure the content of your reported information.

The fund management team and the staff responsible for implementing sustainability within Salm-Salm& Partner have provided the information of this report. This content was furthermore re-validated by the managing partners and owners of the company as well as cross checked with staff of oekom research.

No

# Salm-Salm & Partner GmbH

## Reported Information

### Public version

#### Direct - Fixed Income

## 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.

## Overview

FI 01	Mandatory to Report Voluntary to Disclose	Gateway/Peering	PRI 1
-------	---	-----------------	-------

**FI 01.1**

Provide a breakdown of your internally managed fixed income investments by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your fixed income investments, indicate if you would still like to report your activities.

Fixed income – corporate

### Strategies

- Passive
- Active – quantitative (quant)
- Active - fundamental and other active strategies

Percentage of internally managed fixed income - corporate

- <10%
- 10-50%
- >50%

FI 02	Mandatory to Report Voluntary to Disclose	Peering	General
-------	---	---------	---------

**FI 02.1**

Provide a breakdown of your internally managed fixed income investments by credit quality.

Credit quality	Fixed Income - Corporate
<b>Investment grade</b>	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
<b>High yield</b>	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
<b>Distressed</b>	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%

**FI 02.2**

Provide a breakdown of your fixed income investments between primary and secondary market.

Market	Fixed Income - Corporate
Primary market (new issues)	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
Secondary market	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%

## ESG incorporation in actively managed fixed income

FI 03	Voluntary	Descriptive	PRI 1
FI 03.1	Provide a brief overview of how you incorporate ESG issues in fixed income investments.		
	Fixed Income - Corporate		

In order to implement sustainability (ESG) criteria in the daily workflow, Salm-Salm & Partner has developed a quantitative method, which incorporates oekom research ratings and screening for exclusion criteria within the quantitative analysis of mutual fund holdings and its possible investment universe. The results are cross checked on weekly basis by the full management team and in-house transparent to analysts and other members of the team. Each fund manager has one co-manager as his backup who is reviewing any changes within the respective fund on a daily basis. Also the weekly fund management meetings are held to review any action in the funds. Before a fund manager buys into an investment, which is not yet a holding of the respective fund, he or she will check the screening of the convertible bond universe provided by oekom research in order to identify the relevant sustainability parameters and/or exclusion criteria.

### Cooperation with oekom research

The cooperation with the rating agency oekom research guarantees an alignment to strict sustainability criteria while selecting the bonds for the Sustainability Fund of Salm-Salm family of funds. oekom research AG is one of the world's leading and fully independent rating agencies in the sustainable investment segment. Since 1993, oekom research has provided highest quality standards in corporate and country research (Certified according to Quality Standard CSRR-QS 2.1). The current universe of rated entities consists of over 3000 companies and 55 countries and continues to grow in order to combine sustainable investments with good returns. As an experienced partner of several institutional investors and financial service providers, oekom research provides custom products and investment strategy in a rapidly growing market.

## Fixed Income - Corporate

### Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
-------	-----------	-----------------------	-------

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

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	 20
---	--------

- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	 80
---	--------

Total actively managed fixed income - corporate
---

100%

FI 04.2	Describe your primary reasons for choosing a particular incorporation strategy.
---------	---

Beyond the screening approach for exclusion criteria we also integrate qualitative work in the form of Best in Class approach and active discussions with the management team around ESG issues (engagement). We opted for a mix of these approaches because we think that sustainability also means being involved and not solely relying on ratings.

FI 05	Voluntary	Additional Assessed	PRI 1
-------	-----------	---------------------	-------

<b>FI 05.1</b>	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.
----------------	---

**Type of ESG information**

- Raw ESG company data
- Issuer-related analysis or ratings

Describe who provides this information.
---

oekom research

- Sector-related analysis or ratings
- Country-related analysis or ratings
- Screened bond list

Describe who provides this information.
---

oekom research

- Issue-specific analysis or ratings
- Other, specify

<b>FI 05.2</b>	Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.
----------------	---

We use the aggregated Information provided by oekom research

**(A) Implementation: Screening**

<b>FI 06</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 1</b>
--------------	------------------	--------------------	--------------

<b>FI 06.1</b>	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

oekom research methodology

- Positive/best-in-class screening

**Screened by**

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

Description

oekom research methodology

- 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

Description

oekom research methodology



<b>FI 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.
----------------	---

The Sustainable Progressive Fund uses a comprehensive set of exclusion criteria covering several controversial business areas and business practices. Changes have not been made.

<b>FI 07</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1</b>
--------------	------------------	----------------------	--------------

<b>FI 07.1</b>	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

<b>FI 08</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
--------------	------------------	----------------------------	--------------

<b>FI 08.1</b>	Indicate which processes your organisation uses to ensure that fund criteria are not breached in corporate fixed income investments.
----------------	--

- Checks are performed to ensure that issuers meet the funds' screening criteria. These checks are:
  - Systematic
  - Occasional
- Automated IT systems prevent investment managers from investing in excluded bonds or those that do not meet positive screening criteria
- Audits of fund holdings are undertaken regularly by internal audit function
- Other, specify
- None of the above

<b>FI 08.2</b>	If breaches of fund screening criteria are identified, describe the process followed to correct those breaches.
----------------	---

The breaches would need to be reversed within four weeks.

## (C) Implementation: Integration of ESG factors

FI 10	Voluntary	Descriptive	PRI 1
-------	-----------	-------------	-------

FI 10.1	Describe how you integrate ESG issues into investment decision-making processes.
---------	--

We consider the screening criteria to identify the pool of positive issues and then the fund managers try to optimize the mix ESG quality by optimizing the oekom ratings structure within the fund.

FI 11	Mandatory	Core Assessed	PRI 1
-------	-----------	---------------	-------

FI 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

FI 12	Voluntary	Descriptive	PRI 1
-------	-----------	-------------	-------

FI 12.1	Indicate which processes your organisation uses to ensure that ESG integration is based on a 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
- Company information and/or ratings on ESG are updated regularly
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

<b>FI 12.2</b>	Describe how ESG information is held and used by your portfolio managers.
----------------	---

- ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- Other, specify

## Outputs and outcomes

<b>FI 15</b>	Voluntary	Descriptive	PRI 1
--------------	-----------	-------------	-------

<b>FI 15.1</b>	Indicate how your ESG incorporation strategies have influenced the composition of your fixed income portfolio(s) or investment universe.
----------------	--

**Fixed Income - Corporate**

- Narrow down or prioritise the investment universe
- Buy / sell / weight decisions
- Other, specify

<b>FI 16</b>	Voluntary	Descriptive	PRI 1
--------------	-----------	-------------	-------

<b>FI 16.1</b>	Indicate if you believe (by applicable strategy) that incorporating ESG factors has: (a) Impacted funds' financial performance; (b) Reduced funds' risk or volatility; (c) Improved funds' ESG performance.
----------------	---

**Fixed Income - Corporate**

	a) Impacted funds' financial performance
--	--

Screening	Integration of ESG issues	
<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> Yes	
<input type="radio"/> No	<input type="radio"/> No	

	b) Reduced funds' risk or volatility
--	--------------------------------------

Screening	Integration of ESG issues	
<input type="radio"/> Yes	<input type="radio"/> Yes	
<input checked="" type="radio"/> No	<input checked="" type="radio"/> No	

	c) Improved funds' ESG performance
--	------------------------------------

Screening	Integration of ESG issues
<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> Yes
<input type="radio"/> No	<input type="radio"/> No

<b>FI 16.2</b>	Describe how you are able to determine these outcomes and your actual performance.
----------------	--

Because the investable universe is shrinking after screening is applied, we believe the positions we take are indeed different than they would be without the screening, hence affecting the above criteria. The exact extent can not be easily determined and underlying attribution analysis is not yet incorporated into the electronic tools of the company.

## Communication

<b>FI 18</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
--------------	------------------	----------------------	----------------

<b>FI 18.1</b>	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

<b>FI 18.3</b>	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

<b>FI 18.4</b>	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

## Engagement in fixed income investments

### Fixed Income - Corporate

<b>FI 19</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
--------------	------------------	--------------------	--------------

**FI 19.1**

Indicate if you engage with corporate issuers.

Yes

**FI 19.2**

Describe your organisation's approach to engagement in corporate fixed income.

We occasionally engage on symposiums and investor trips with issuers and competitors.

No