



RI TRANSPARENCY REPORT

2020

imug Beratungsgesellschaft für sozial-
ökologische Innovationen mbH

About this report

This report is an export of the individual Signatory organisation responses to the PRI Service Provider Reporting Framework during the 2020 reporting period. It shows your responses to mandatory indicators, as well as responses to voluntary indicators that your organisation has agreed to make public. You will be able to access the public RI Transparency report of your organisation and that of other signatories on the [PRI website](#).

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 an **Index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Index

The Index summarises the response status for the individual indicators and modules. It can be used by stakeholders as an 'at a glance' summary of reported information and to identify particular themes or areas of interest.

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.

Index

Organisational Overview			
Indicator	Short description	Status	Disclosure
OO 01	Basic information	✓	Public
OO 02	Reporting year	✓	Public
OO 03	Signatory category and services	✓	Public
OO 04	Other offerings/business activities	🔒	n/a
OO 05	Breakdown of ESG coverage	✓	Asset mix disclosed in OO 06
OO End		✓	-

Strategy and Governance			
Indicator	Short description	Status	Disclosure
SG 01	Responsible investment policy	✓	Public
SG 02	Norms used to develop policies	✓	Public
SG 03	Policy offerings to clients	✓	Public
SG 04	ESG/RI in business offerings	✓	Public
SG 05	Outsourcing of services	✓	Private
SG 06	Providing training/education	✓	Public
SG 07	Applying, advancing and promoting the PRI principles	✓	Public
SG 08	Actions taken to promote responsible investment	✓	Public
SG 09	Long term trends	✓	Public
SG 10	Interaction with asset owners	✓	Public
SG 11	Aligning approach with investor goals	✓	Public
SG 12	ESG recommendations not aligned with investor goals	✓	Public
SG 13	Seeking feedback from clients	✓	Public
SG 14	Managing conflicts of interest	✓	Public
SG End		✓	-

Investment Consultancy

Indicator	Short description	Status	Disclosure
IC 01	Advisory and consultancy services	✓	Public
IC 02	Assets under advisement	✓	Private
IC 03	Fiduciary manager services	✓	Public
IC 04	ESG in contracts with clients	✓	Private
IC 05	Custodian services	🔒	n/a
IC 06	RI and ESG in clients' investment policy development	✓	Public
IC 07	ESG incorporation into strategic asset allocation	🔒	n/a
IC 08	Scenario analysis and/or modelling	🔒	n/a
IC 09	Demonstrating value on asset allocation	🔒	n/a
IC 10	Investment research activities	✓	Public
IC 11	Demonstrating value on investment research	✓	n/a
IC 12	ESG in manager selection, appointment and monitoring	🔒	n/a
IC 13	Manager selection activities	🔒	n/a
IC 14	Incorporating asset owners' investment principles in selection of manager	🔒	n/a
IC 15	ESG in selection due diligence	🔒	n/a
IC 16	Monitoring investment managers on ESG	🔒	n/a
IC 17	Reporting back to asset owners	🔒	n/a
IC 18	Demonstrating value on manager selection, appointment and monitoring	🔒	n/a
IC 19	ESG in manager selection, appointment and monitoring	✓	Private
IC End		✓	-

Research and Data Provision

Indicator	Short description	Status	Disclosure
RDP 01	Product type	✓	Public
RDP 02	Sources for research and/or rating	✓	Public
RDP 03	Stakeholder input	✓	Public
RDP 04	Up-to-date assessment and ratings	✓	Public
RDP 05	Balanced research and assessment	✓	Public
RDP 06	Consistency and comparability	✓	n/a
RDP 07	Emerging ESG issues and trends	✓	Public
RDP 08	Client use of outputs	✓	Private
RDP 09		-	n/a
RDP End		✓	-

Confidence building measures

Indicator	Short description	Status	Disclosure
CM1 01	Other product offerings, processes and/or activities	-	n/a
CM1 02	Assurance of responses	✓	Private
CM1 End	Module confirmation page	✓	-

imug Beratungsgesellschaft für sozial-ökologische
Innovationen 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

Public

Descriptive

OO 01.1

Select the location of your organisation's headquarters.

Germany

OO 01.2

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

- 1
- 2 - 5
- 6 - 10
- 11 - 50
- >50

OO 01.3

Indicate the regions where you have offices.

- Africa/Middle East
- Asia (excluding Japan & Korea)
- Australasia
- Canada
- Continental Europe
- Japan & Korea
- Nordic
- South America
- UK & Ireland
- US

OO 01.4

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

FTE

13

OO 01.5

Additional information.[OPTIONAL]

imug | rating is one of the leading sustainability rating agencies in Germany and specialist for customised Environmental, Social and Governance (ESG) research. imug | rating has been active in the market for sustainable finance and socially responsible investment (SRI) for over 20 years - our references include major asset managers, church and alternative banks as well as institutional investors and NGOs. We pride ourselves on our high quality and excellent client service.

In Germany and Austria we exclusively represent the sustainability rating agency Vigeo Eiris, one of the major global service providers for sustainability research. Vigeo Eiris is the leading European sustainability rating agency with more than 240 employees in ten countries, four international partners and more than 300 sustainable investors worldwide providing a wide range of sustainability ratings and thematic research services.

With a team of 140 analysts, the new entity provides ESG research on more than 5,000 issuers, and thematic research covering up to 10,000 issuers for more than 300 asset managers and institutional investors worldwide. The pooling of their resources and tools further broadens the coverage of issuers rated on an annual basis to better serve the growing needs of their clients.

Based on methodologies that are synergetic and complementary, Vigeo Eiris offers a wide product suite tailored to the needs of a range of global investors. The reach of this new global player allows it to play a leading role in promoting relations between issuers and investors going forward.

imug | rating therefore has an own research and products & services on ESG as well as products & services based on Vigeo Eiris methodology & research.

Reporting Year

OO 02	Mandatory	Public	Descriptive
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OO 02.1 Indicate the year end date for your reporting year.

31/12/2019

Signatory category and services

OO 03	Mandatory	Public	Gateway
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OO 03.1 Indicate which of the following categories reflect your core offering or main business activity:

- Reporting
- Active Ownership Services
- Investment consultancy
- Research and Data Provision
- Other, specify (1)
- Other, specify(2)

OO 03.2 Indicate any other business activities that your organisation offers. Indicate whether you wish to report on these business areas.

- Reporting
- Active Ownership Services
- Other, specify (3)
- Other, specify (4)
- None of the above

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Strategy and Governance

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Policy on ESG beliefs

SG 01

Mandatory

Public

Gateway

SG 01.1

Describe how your organisation's philosophy incorporates environmental, social and governance factors, and the link to your business offerings.

The assessment and promotion of social and environmental responsibility are at the core of imug rating business model. imug Beratungsgesellschaft has built its own social responsibility approach with the firm belief that it constitutes a performance factor, a risk management driver and a lever for stakeholder dialogue and sustainable value creation.

Social pillar:

Our teams are at the core of our professional excellence. Our employees are the backbone of the agency, the true foundation of our expertise and guarantee the quality of all products and services offered to our clients. The development, reinforcement and promotion of our competencies are amongst our priorities and form an important part of the commitments taken by the agency towards its employees.

The teams work closely towards our clients' and partners' needs. We do have a commitment to "Sustainable Excellence" which constitutes the foundation of our daily work and combines the two pillars of imug Beratungsgesellschaft - Service Excellence and We continuously reinforce our know-how through experience and feedback, and pay close attention to the transparency, readability and accessibility of our analyses.

Our commitments towards our employees are:

Ensuring in-depth and regular social dialogue in terms of information, consultation and negotiation.

Guaranteeing equal treatment to all employees in terms of the recruitment process, skills and career development, remuneration, and work-life balance.

Promoting equal opportunities between men and women in the workplace, and developing cultural diversity.

Ensuring that skills development as well as individual and collective performance, are key factors contributing to career development.

Innovation, trust & dialogue are the foundation of our client relationships.

imug rating communicates to its clients, the companies it rates and stakeholders about the methodology through which Vigeo Eiris builds its opinion.

imug rating provides clients with research and services adapted to every responsible and ethical investment approach.

Maintaining close contact with our clients enhances our understanding of market expectations. Several customisable extranet portals for clients ensures fast access, not only to the products and publications but also to real time information published by the agency.

Project managers in charge of innovation ensure the diversification of our services to meet the needs of new market segments and to anticipate future needs.

Teams are dedicated to answering to client requests within 24 hours (maximum).

Governance:

The nature of imug's shareholding structure ensures the independence of the agency. Shareholders are mainly imug's managing directors.

Independence, transparency, quality and integrity - those requirements are formalised in a code of conduct available on our website, which is translated into professional practices. After the Arista quality standard has been discontinued, we are aiming for ISO 9001 certification in 2019.

A code of conduct is signed by all employees. imug applies strict guidelines on work ethics and integrity to reinforce its independence. Our research is independent from any financial or economic interest. We follow rules of impartiality in formulating our research opinion in order to prevent potential conflicts of interest or influence strategies.

Environment:

imug measures its carbon footprint and compensates the whole carbon footprint.
(https://www.imug.de/fileadmin/user_upload/Downloads/imug_csr/Urkunde_CO2-Ausgleich_2016_10_12.pdf)

Reduction of energy consumption through:

Most employees come to the office by public transport or bicycle.

A teleconferencing system for calls and working meetings across sites.

The opportunity to use telework to avoid long and recurrent commuting.

Sorting system for office waste and recycling of expired objects and documents.

Use of recycled paper and commitment to limit the use of paper outputs for imug Rating.

SG 01.2

Indicate whether you have policies that formalise the incorporation of your ESG beliefs in your business offerings.

Yes

SG 01.3

Indicate the components/types of your internal policy and provide the URL and/or an attachment of the document/s if they are publicly available.

Policy components/types

Policy setting out your overall ESG/RI approach

Public availability

URL

URL

<https://www.imug.de/imug-nachhaltigkeit/>

Attachment

Not publicly available

Formalised guidelines on environmental factors

Formalised guidelines on social factors

Formalised guidelines on corporate governance factors

Formalised guidelines on engagement approach

Formalised guidelines on (proxy) voting approach

Other, specify (1)

Other, specify (2)

None of the above

SG 01.4

Indicate how these are put into practice internally across the organisation.

- Regular employee training on RI/ESG
 - Regular RI/ESG policy awareness building for employees
 - Establishment of policy review committee/team
 - Remuneration linked to achieving ESG objectives
 - Annual performance incentives
 - Other, specify (1)
 - Other, specify (2)
 - Other, specify (3)
- No

SG 01.5

Additional information [OPTIONAL]

<https://www.imug.de/imug-nachhaltigkeit/><https://www.imug.de/imug-rating/?L=0>**SG 02****Mandatory****Public****Descriptive****SG 02.1**

Indicate what frameworks and guidelines you have used to develop your organisation's policies. Tick all that apply.

- UN Principles for Responsible Investment
- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- UN Sustainable Development Goals
- International Bill of Human Rights
- International Labour Organisation Conventions
- IFC Performance Standards
- United Nations Convention Against Corruption
- OECD Principles of Corporate Governance
- OECD Guidelines for Multinational Enterprises
- GRI standards
- Other, specify (1)
ISO Norms : ISO 26 000, ISO 9000, ISO 14000
- Other, specify (2)
European Union relevant directives (On reporting for instance)
- Other, specify (3)
- None of the above

SG 03**Mandatory****Public****Descriptive**

SG 03.1

Indicate whether you offer standard, off the shelf, policies to clients as part of your product offerings, and/or whether you create tailored versions for individual clients.

	Off the shelf	Tailored
Asset class-specific RI guidelines	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sector-specific RI guidelines	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Screening/exclusions policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Engagement policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(Proxy) voting policy	<input type="checkbox"/>	<input type="checkbox"/>
RI guidelines set out within the Investment Policy Statement (IPS)	<input type="checkbox"/>	<input type="checkbox"/>
RI guidelines set out in a freestanding RI policy	<input type="checkbox"/>	<input type="checkbox"/>
Multi-year RI implementation project plan	<input type="checkbox"/>	<input type="checkbox"/>
Conflict of interest management policy	<input type="checkbox"/>	<input type="checkbox"/>
Stockbroker allocation policy	<input type="checkbox"/>	<input type="checkbox"/>
Securities lending policy	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (1)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, please specify (2)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, please specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

please specify (1) - Off the shelf

Sovereign Sustainability Rating

please specify (1) - Tailored

Sovereign Sustainability Rating

please specify (2) - Off the shelf

Green Bond Second Party Opinion

please specify (2) - Tailored

Green Bond Second Party Opinion

SG 03.2 Provide a brief description of the key elements, any variations, or exceptions applying to these policies.

Products and services are tailored to client interest. It is up to clients to define how they will integrate our services and which policies they may wish to build from them.

Our core ESG rating products are structured around and/or derived from our methodological framework, structured around 38 precise sustainability criteria based on international standards. These 38 ESG challenges are segmented into 41 sector sub-frameworks selecting and weighting the most relevant objectives. More than 330 principles for action enable us to question companies on their integration of social responsibility issues into managerial systems. We assess issuers on their overall ESG performance, and identify their strengths and weaknesses. Our screening activity enables investors to complement this managerial analysis with an assessment of issuers' involvement in a number of activities:

products and services contributing to sustainable development

16 controversial activities.

This research on ESG or ethical drivers enables us to serve and answer any client's RI policies

SG 04	Mandatory	Public	Descriptive
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SG 04.1 Briefly describe how you include ESG/RI factors as part of your business offerings.

Business area

Investment Consultancy

How you include ESG/RI factors

Advisory and consultancy services include ESG and RI factors.

Investor clients can benefit from imug rating's support in the development of structured products or a bespoke investment universe, combined with responsible investment strategies.

We can also offer assistance to define and implement investors' ESG strategies. This includes assistance from formalisation to development, through to communication about a client's investment policy.

Portfolio Audits are also provided to measure and manage the implementation of a client's global or targeted ESG policy across their portfolio. Two formats of audit reports (at the fund level and at the portfolio level) are available. Vigeo Eiris provides clients with a mapping of ESG risks and a performance benchmark on their portfolios.

<https://www.imug.de/imug-rating/>

Research and Data Provision

How you include ESG/RI factors

imug rating offers decision-making tools designed for all types of investors, covering all ethical and responsible investment approaches.

Reliable, up-to-date, accessible and customisable research and data is needed to be able to identify risks related to ESG, to detect opportunities for future value creation and to be informed swiftly about controversies and litigations.

Sustainability rating provides research and services adapted to all types of investments, and aims to take ESG risk factors into account in the management of investment universes. imug rating gives access to analyst opinion on corporate management of sectoral issues through Vigeo Eiris offerings and own products.

Vigeo Eiris' Controversy Database and Controversy Risk Assessment allow investors to stay informed about allegations and litigation affecting companies in their portfolio. These events can impact a company's reputation and legal security. Vigeo Eiris informs clients of the severity and frequency of such events, and the company's response.

SG 04.2

Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for ESG/RI within the organisation.

Roles present in your organisation	Oversight/accountability for ESG/RI	Implementation of ESG/RI
Board	<input type="checkbox"/>	<input type="checkbox"/>
Directors	<input type="checkbox"/>	<input type="checkbox"/>
Chief Executive Officer (CEO), Chief Financial Officer (CFO)	<input type="checkbox"/>	<input type="checkbox"/>
Chief Operating Officer (COO), Chief Information Officer (CIO)	<input type="checkbox"/>	<input type="checkbox"/>
Other chief-level staff	<input type="checkbox"/>	<input type="checkbox"/>
Other heads of department	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; display: inline-block;">Please specify</div> Head of Research	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; display: inline-block;">Please specify</div> Head of Research
Dedicated ESG/RI staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other role, specify (1)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

SG 04.3

Indicate how you ensure ESG/RI expertise for the roles where there are RI oversight/accountability or implementation responsibilities.

- Staff training on ESG/RI incorporation
- Including ESG/RI knowledge factors in personal development goals
- Having development plans that aim to enhance ESG/RI knowledge of certain departments/teams/individuals
- Including ESG in selection requirements when hiring new employees
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- Other, specify (4)

SG 04.4

Indicate whether your organisation has any ESG/RI linked incentives for its employees.

- Yes
- No
- Not applicable, we ensure that employees incorporate ESG/RI into services through other mechanisms.

SG 06**Mandatory****Public****Descriptive****SG 06.1**

Indicate whether you provide training/educational services on ESG/RI. Tick all that apply.

- Board/trustee training
- Investment manager training
- Regulatory bodies/authorities or public policy makers
- Corporate executive training
- ESG analyst training
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- Other, specify (4)
- None of the above

SG 06.2

Describe the main components of your training/educational services on ESG/RI and any variations depending on the group you provide training/education to.

Every client gets a training session on the beginning of new service period, before introduction of new products or on demand.

SG 06.3

Describe whether these training/educational services include any commercial elements.

Included in service package

SG 07**Mandatory****Public****Descriptive**

SG 07.1

Describe how your organisation applies, advances and promotes the PRI Principles.

Vigeo Eiris offers ESG engagement and voting services, which help clients to implement the PRI principles and meet their stewardship obligations.

imug | rating explains the PRI principles to clients, as well as how to apply and implement them, often in an incremental fashion.

Vigeo Eiris refers to the PRI principles when providing ESG training to imug rating's clients' staff.

Where relevant and appropriate, we include reference to the PRI principles in pitches to prospects, or in public speaking engagements.

SG 08**Mandatory****Public****SG 08.1**

Indicate which of the following actions your organisation has taken to promote responsible investments during the reporting year, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, 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
- Spoken publicly at events and conferences to promote responsible investment
- Written and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Written and published articles on responsible investment in the media
- Policy engagements and other interactions
- Other, specify
- None of the above

SG 08.2

Additional information. [OPTIONAL]

We regularly write on ESG issues in our Sustainable Finance blog: <https://www.imug.de/imug-rating/sustainable-finance-blog/>

In addition we published a paper on ESG Ratings and Financial Institutions in Germany in 2019: <https://www.imug.de/news/2019/deutsche-banken-im-nachhaltigkeits-stresstest/>

We were speakers of various ESG, SDG and other Sustainable Finance Events, mainly with participants of the German Sustainable Finance Market.

With our imug | rating Newsletter we reach up to 1,500 professionals of sustainable finance, clients and other stakeholders and individuals: <https://www.imug.de/news/2020/imug-rating-eneWS-februar-2020/>

SG 09**Mandatory****Public****Descriptive****SG 09.1**

Indicate which of the following long-term trends are addressed in your product outputs.

- Changing demographics

SG 09.2

Explain how this long-term trend affects your product outputs.

Our bond sonar research on employee attraction and retention and employment security assesses corporate commitments towards enabling employees, in a transparent framework, to develop their careers and ensure their professional development. This is to ensure the future employability of employees, their adaptation to the changing work environment, their skills development, thereby facilitating labour mobility and anticipating job requirements.

Our Non-Discrimination analyses looks at companies' strategies to prevent discrimination against persons on the basis of their age or any familial responsibilities, as well as on the promotion of equality.

Climate change

SG 09.2

Explain how this long-term trend affects your product outputs.

We offer our clients own products and Vigeo Eiris services and products based on climate change trend:

indices focused on carbon (bespoke SRI indices set up with clients).

portfolio analysis of carbon footprints and physical impacts of climate change. This involves assessment of a company's approach to prevent, mitigate and adapt to the physical impacts of climate change.

screening services focused on fossil fuel involvement (screening of companies' fossil fuel reserves and assessment of the potential emissions embedded).

Sustainable Goods and Services research - positive screening that assesses a company's involvement in products and services with a positive impact on the climate and contributing to climate-related UN SDGs. It provides an evaluation showing what percentage of a company's activities are contributing to sustainable development (for each company in a specific portfolio)

Second Party Opinion for Green Bonds - climate change is integral part of the assessment and many of the projects are renewable energy projects

Impact Measurement for Impact Investments - climate change and renewable energy projects were part of some Impact Measurements in 2018

Resource scarcity

SG 09.2

Explain how this long-term trend affects your product outputs.

We offer our clients own products and Vigeo Eiris services and products based on resource scarcity ESG ratings of more than 5,000 issuers. This includes an assessment of a company's approach to waste management, recycling and life cycle analyses as well as innovative

Sustainable Goods and Services research - positive screening that assesses a company's involvement in products and services with a positive impact on the resource scarcity issues and contributing to related UN SDGs. It provides an evaluation showing what percentage of a company's activities are contributing to sustainable development (for each company in a specific portfolio)

Technology developments

Other, specify (1)

Other, specify (2)

None of the above

SG 10.1	Indicate whether you interact with asset owner clients.
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Yes, we do

SG 10.2	Indicate the typical frequency and type of interactions with your asset owner clients.
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Type of interaction

Board of trustee meetings

	Frequency
--	-----------

- Daily
- Weekly
- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc basis
- Other, specify

Investment committee meetings

	Frequency
--	-----------

- Daily
- Weekly
- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc basis
- Other, specify

Trustee training workshops

Frequency

- Daily
- Weekly
- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc basis
- Other, specify
- Formal regular meetings outside of committee meetings
- Informal meetings or calls

Frequency

- Daily
- Weekly
- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc basis
- Other, specify
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- No, we do not

SG 10.3	Additional information. [OPTIONAL]
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On request to present portfolio analysis results, advice, training or research presentations according to demand.

SG 11	Mandatory	Public	Descriptive
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SG 11.1	Describe how you typically align your organisation's philosophy and approach to ESG/RI with your investor clients' goals.
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- Describe
 - Our corporate mission is to promote responsible growth through our products and services: empowering responsible investment and responsible management.
 - Being aligned to investor needs and fiduciary duty is part of our business model.
 - imug | rating is committed to categorising risks related to ESG, to identifying opportunities for risk management, future value creation and to inform clients on a timely basis about controversies and litigations. All these require research and data that is reliable, up-to-date, accessible, and customisable. As a result, imug rating provides research and services adapted to many types of

investment including impact investment measuring and developing and emerging country specialized ESG research as well as specialized research in financial institutions.

This is not relevant for my organisation

SG 12	Mandatory	Public	Descriptive
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SG 12.1	Describe what steps you take, if any, when your ESG recommendations are not in line with your investor clients' goals.
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Describe

Whilst investors define how they will integrate our research, and which policies they may wish to build from it, imug | rating provides advice on these matters as clients request and require. We can also offer bespoke solutions for clients who may be interested in research, criteria or advice beyond the scope of our default offerings.

This is not relevant for my organisation

SG 13	Mandatory	Public	Descriptive
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SG 13.1	Indicate whether you seek feedback from clients on your RI/ESG services and product offerings
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Yes

SG 13.2	Describe how you use this feedback in your RI/ESG services and product offerings.
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Close contact with our clients informs our understanding of market expectations. A customisable extranet portal for clients ensures fast access, not only our the products, services and publications but also to real time information published by the agency.

We always seek feedback on our products and services and receive these in a continuing process in a very detailed way. We try to include these feedback in a timely manner and also give feedback to our data provider Vigeo Eiris in order to have these client's feedback recognized in all products and services.

Project managers in charge of innovation ensure the diversification of our services to meet the needs of new market segments and to anticipate future needs.

Teams are dedicated to answering to client requests within 24 hours (maximum).

No

SG 14	Mandatory	Public	Descriptive
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SG 14.1	Indicate whether your organisation has a policy for managing potential conflicts of interest.
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Yes

SG 14.2	Describe how you manage potential conflicts of interest.
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imug rating has established a Code of Conduct, communicated to all employees.

Through its Code of Conduct, imug rating applies strict guidelines on work ethics and integrity. In order to prevent situations of conflict of interest, imug rating has defined the rule that an

analyst/researcher or other employee may not participate in the determination of ratings or other output of assessments and evaluations if the employee:

1. directly owns securities or derivatives of the assessed entity or any related entity. Where such ownership has been declared, he / she must discuss this with his / her line manager and the Compliance Officer, who will decide what action to take. This decision will be recorded by the Compliance Officer.
2. has had an employment or other significant business relationship with the assessed entity within the previous 6 months.
3. has an immediate relation (i.e. spouse, partner, parent, child and sibling) who currently works or has worked within the previous 6 months for the assessed entity.

Any personal relationship with a company that creates the potential for any real or apparent conflict of interest shall be disclosed to the appropriate manager or the Head of Quality Management.

imug rating reports any real or potential conflicts of interest in a timely, clear, complete, concise and specific manner in its yearly Independence Report to its external ARISTA auditor.

SG 14.3

Describe how you ensure that company employees do not derive any personal gain from the use of information collected during your work process.

The employees of imug rating must respect the applicable insider trading regulations

No

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Reported Information

Public version

Investment Consultancy

PRI disclaimer

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Investment Consultancy

IC 01

Mandatory

Public

Gateway

IC 01.1

Indicate whether your services include any of the following.

- Custodial services
- Investment policy development
- Strategic asset allocation
- Investment research
- Manager selection and monitoring
- Other, specify (1)
- Other, specify (2)

IC 01.2

Describe how you ensure that your clients understand your service offerings and fee structure.

Transparent recording of all fees. Services are disclosed on our Website, contact details for every product and service offering on Website,

<https://www.imug.de/imug-rating/>

IC 03

Mandatory

Public

IC 03.1

Indicate whether you provide fiduciary management services.

- Yes, we do
- No, we do not

Investment policy development

IC 06

Mandatory

Public

Descriptive

IC 06.1

Indicate whether you incorporate ESG into your investment policy development services.

- Yes, we systematically do
- Yes, we occasionally do
- No, we do not. Plans exist to start incorporating ESG into our investment policy development services in the next reporting year
- No, we do not

IC 06.2

Describe how you incorporate ESG factors and RI-considerations when advising clients on investment policy development.

- Reviewing clients' existing beliefs, investment strategy and policy in relation to ESG
- Aligning the investment policy with the client's overall ESG strategy and beliefs
- Helping clients define ESG investment objectives and incorporating them into policies
- Considering short-, mid- and long term time horizon of overall ESG objectives outlined in the investment policy
- Aligning the policy with the relevant ESG/RI regulations and public policies
- Determining the client's ESG risk-profile and materiality to inform the investment policy
- Providing education/training and case studies if the client has not publicly committed to an ESG strategy or beliefs, and seek to incorporate ESG in the client's investment policy
- Researching ESG trends, terminology and current debate to help create an up-to-date investment policy
- Comparing ESG investment policies of peers in the market
- Engaging the client organisations' executives, Board and any other stakeholders in the ESG investment policy development
- Outlining the internal governance structure responsible for overseeing and implementing the investment policy
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Investment research

IC 10**Mandatory****Public****IC 10.1**

Indicate whether you incorporate ESG into your investment research services.

- Yes, we systematically do
- Yes, we occasionally do
- No, we do not. Plans exist to start incorporating ESG into our investment research services in the next reporting year
- No, we do not

IC 10.2

Indicate whether the following activities are part of your investment research process. Describe for each activity how you incorporate ESG.

Investment research activities

- Asset level research

Describe how you incorporate ESG

All Services and products contain ESG criteria

- Portfolio level research

Describe how you incorporate ESG

All Services and products contain ESG criteria

- Performance monitoring
- Mandate design
- Benchmark selection
- Equity research
- Credit research
- Quant research
- Sector research
- Thematic research
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

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Research and Data Provision

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Product level

RDP 01

Mandatory

Public

RDP 01.1 Indicate your product type. Tick all that apply.

- Analysis
- Benchmarking reports
- ESG ratings
- Credit ratings
- ESG indices
- Raw data
- Second party opinion on green or social bonds
- Surveys
- Other, specify

RDP 01.2 Indicate whether you make any of your products publicly available.

- Yes, all products
- Yes, some products
- No, we do not

Research/process level

RDP 02

Mandatory

Public

RDP 02.1 Indicate the types of sources you use for research and/or ratings of companies/sectors/geographies or similar. Tick all that apply.

- Your organisation`s independently collected data from public sources
- Regulatory sources
- Information from NGOs and other stakeholders
- In-person meetings or calls with company or industry representatives
- Primary data (self-reported from companies or other organisations)
- Secondary data (from other research provider databases)
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

RDP 02.2

Indicate how ESG factors are incorporated into your research and/or rating methodology

- Identifying exposure and risk to ESG factors
- Considering responses to self-assessment questions on ESG
- Assessing current and future capacity to manage or mitigate ESG risks
- Assessing past and potential future performance on ESG factors
- Assessing alignment and compliance to different policies and regulations
- Assessing alignment and compliance explicitly to the Sustainable Development Goals (SDGs)
- Assessing current and future positive ESG impacts
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

RDP 02.3

Describe how you define materiality and how this is captured in your research and/or rating methodology as well as final product.

We believe Social Responsibility impacts both tangible assets and intangible capital of a company. Therefore, we believe materiality has to be clearly assessed. Used in a restrictive sense, materiality can lead to ignoring ESG risks and to discard recognizable or significant accounting impact. Used in a dynamic way, materiality broadens the risk framework to factors that may affect stakeholders' interests. Within our framework of analysis, we therefore assess to which extend various factors of sustainability (ESG) are material for a company even if they are not analysed in the regular accounting framework, i.e if they can negatively or positively impact the performances, the capacity of creation of value, the accounts of a company.

The information we provide is build to focus on the most material aspect of the extra-financial performance of issuers: before we beginning rating a company, our in-depth approach is reviewed and customised by our sector-specialised teams. We recognise that the challenges faced by companies are not uniform. The sector within which a company operates, impacts the risks they face and the opportunities they may capitalise on. An easy example to illustrate this is the exposure from energy companies to stranded assets when carbon legislation increases. Our methodology is therefore customised per sector to reflect the specific materiality of ESG risks and opportunities for a defined sector.

Vigeo Eiris has 36 sector-specific customised rating models and on average, 20-25 criteria are analysed per sector for each company. For example, for the pharmaceutical and biotechnologies sector, Vigeo Eiris has 24 drivers activated.

The 'weighting' assigned to each driver to indicate its materiality goes on a scale from 0 to 3 and is based on:

- The nature of the impact of the CSR issue on the sector's stakeholders (e.g. employees, customers, etc.)
- The exposure of stakeholders to that impact
- The risks (e.g. legal, operational, etc.) run by companies in the sector that do not adequately manage this impact.

RDP 02.4

Additional information. [OPTIONAL]

imug rating's approach to the rating of financial institutions and bank bonds is based on materiality. In an update of the methodology and criteria in 2017 various international standards were taken in account, including GRI, SASB and others. The approach is based on the belief, that different exposures of financial institutions have different material ESG issues to cover. For example an international Financial Institution involved in Investment Banking has other material issues than a German-based Mortgage Lending Company.

See also our Position Paper on bank bond rating (also available in English): <https://www.imug.de/imug-rating/imug-nachhaltigkeits-research/?L=0>

RDP 03	Mandatory	Public	Descriptive
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RDP 03.1	Describe how you actively include input and information, wherever possible, from relevant stakeholders or interested parties, in the research process or in reaching assessment conclusions.
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Stakeholder's positions are included in all research and rating products in various levels (e.g. controversies: NGOs, etc.).

RDP 04	Mandatory	Public	Descriptive
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RDP 04.1	Indicate how you ensure that your ESG assessment of companies/ sectors/ geographies or similar is up-to-date and that new information is incorporated or new assessments are conducted at reasonable intervals.
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- Regular update cycles (annual or more frequent)
- Allowing assessments/ ratings to be adjusted at any time by your organisation
- On-going alerts systems in place for new events and information that might have implications on the original assessment/ ratings
- On-going monitoring of possible controversies and compliance to conventions, regulations and similar
- Providing tools for companies/ sectors or others to update the researcher, rating agency or data provider with new information
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

RDP 05	Mandatory	Public	Descriptive
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RDP 05.1	Indicate how you typically ensure a balanced approach to your research methodology and assessing/rating of companies/sectors/geographies or similar. Tick all that apply and explain your approach to each option.
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Type of indicators

- Balancing quantitative and qualitative indicators

Explain your approach

Each criterion has qualitative and quantitative elements (Policy, Management Systems, Reporting and Performance)

- Balancing management/process oriented indicators and performance indicators

Explain your approach

Each criteria has qualitative and quantitative elements (Policy, Management Systems, Reporting and Performance). Also a controversy monitoring process ensures, the performance of a company is taken into account. Controversies have an impact on final score and ESG overall assessment.

- Balancing reference to past and current performances, such as whether the rating object's performance is improving or deteriorating

Explain your approach

Indicating in an "Analyst Summary" whether there is a improving or deteriorating and explaining why.

- Balancing environmental, social and governance indicators

Explain your approach

For financial institutions (bond sonar): There is a weighting to balance the higher materiality of governance and products issues. Vigeo Eiris research has over 330 indicators in an standard ESG rating, which provides a comprehensive and differentiated view of all relevant ESG aspects, based on a sophisticated and up-to-date methodology

- Balancing self-reported and public data

Explain your approach

Self-reported data has to be proven to have a senior responsibility or to an assurance by a third party.

- Other, specify (1)
- Other, specify (2)
- None of the above

RDP 07	Voluntary	Public	Descriptive
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RDP 07.1 Indicate whether you identify and prioritise ESG issues and emerging trends.

- Yes
- Not applicable for our organisation

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Confidence building measures

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