



RI TRANSPARENCY REPORT

2020

BW Equity GmbH

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.

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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	✓	Public
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	🔒	n/a
SG 03	Policy offerings to clients	✓	Public
SG 04	ESG/RI in business offerings	🔒	n/a
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	🔒	n/a
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		✓	-

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	✓	-

BW Equity GmbH

Reported Information

Public version

Organisational Overview

PRI disclaimer

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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

15

Reporting Year

OO 02

Mandatory

Public

Descriptive

OO 02.1

Indicate the year end date for your reporting year.

31/12/2019

Signatory category and services

OO 03

Mandatory

Public

Gateway

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)

BWEquity GmbH is a service provider in the B2B business with closed public and special AIF according to German and EU law.

- 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
- Investment consultancy
- Research and Data provision
- Other, specify (3)
- Other, specify (4)
- None of the above

OO 04

Mandatory

Public

Descriptive

OO 04.1

Please describe your core offering or main business activity.

Baden-Württembergische Equity GmbH (BWEquity), a wholly owned subsidiary of Landesbank Baden-Württemberg, acts as a competence center for alternative asset investments for the LBBW Group, cooperating banks and savings banks (including Baden-Württembergische Bank and over 100 savings banks throughout Germany).

BWEquity uses a selection process to filter out potential investment products from the range of alternative asset investments: Which markets are attractive? Which AIFM have the necessary skills? Which products can be considered? Identified investment products are then professionally analysed by BWEquity and checked for their profitability. The investments must meet certain minimum requirements, which are constantly developed further under defined quality requirements and adapted to market conditions. Existing sustainability testing standards are playing an increasingly important role here. ESG principles are examined and evaluated at the investment level at property, income and provider level.

In addition to the actual product plausibility check, the evaluation of the aifm is also an important component of the analysis. Only those professionals who pass the detailed review process are involved. The basis of this check is the creditworthiness, economic strength, experience and expertise of the respective initiator as well as his behaviour towards investors and sales partners.

In the placement phase of the alternative tangible asset investments as an asset investment or through the regulated form of the so-called public or special AIF, BWEquity's sales partners are supported by numerous measures, for example in the form of training offers.

BWEquity offers a comprehensive range of services for the period after the fund has been placed, which goes far beyond the usual market support. The focus is on ongoing monitoring of the investments. For

this purpose, annual reports are evaluated, background information is prepared and, where possible, recommendations for action are provided for the coordination of shareholder resolutions. BWEquity also participates in selected shareholders' meetings and represents the interests of investors. Assistance with special topics such as "transfers", "estate" and "electronic platform services" round off BWEquity's range of services.

BW Equity GmbH

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Strategy and Governance

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Policy on ESG beliefs

SG 01	Mandatory	Public	Gateway
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SG 01.1 Describe how your organisation's philosophy incorporates environmental, social and governance factors, and the link to your business offerings.

BWEquity has many links to ESG topics. Due to its 100% affiliation to LBBW, its sustainability policy is automatically adopted by BWEquity. In the mission statement of BWEquity GmbH the ecological and socially sustainable action is fixed. BWEquity published its first sustainability report in January 2020, covering the years 2018 and 2019. As part of the analysis of closed AIFs, ESG issues are assessed according to a transparent grid at the object, provider and management levels. Depending on the degree of fulfillment, the AIF receives corresponding rating points and achieves a higher rating result. BWEquity is proud that in 2019 it has convinced the first provider to sign the UNPRI as a condition of continued cooperation.

SG 01.2 Indicate whether you have policies that formalise the incorporation of your ESG beliefs in your business offerings.

- Yes
- No

SG 03	Mandatory	Public	Descriptive
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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 type="checkbox"/>	<input type="checkbox"/>
Sector-specific RI guidelines	<input type="checkbox"/>	<input type="checkbox"/>
Screening/exclusions policy	<input type="checkbox"/>	<input type="checkbox"/>
Engagement policy	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>
Other, please specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

SG 03.3

Additional information. [OPTIONAL]

ESG and RI topics are an integral part of the value chain around services and not available separately.

SG 06	Mandatory	Public	Descriptive
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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.

In internal trainings and consultant events, reference is made to ESG principles and guidelines of BWEquity, in particular in the analysis.

SG 06.3 Describe whether these training/educational services include any commercial elements.

ESG topics have an indirect commercial purpose. ESG topics are an element of finding a product, but not the the only one.

SG 07	Mandatory	Public	Descriptive
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SG 07.1 Describe how your organisation applies, advances and promotes the PRI Principles.

Concerning KVGen attention is drawn to the observance of ESG criteria. The BWEquity scoring makes it transparent that a company with ESG principles receives a better product rating. For example, a social carta has been further developed with Partner, which will be considered in a future project. Analysis results of closed AIFs are also published in relation to the ESG points.

SG 08	Mandatory	Public	
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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 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.

Demography is a megatrend. We therefore pay more attention to the fact that we select closed AIF in the regions of increasing demography. This avoids unnecessarily consumption of areas that are not needed in the long term.

- Climate change

SG 09.2

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

Real estate: national and international energy certifications, attention and positive consideration of resource-conserving properties in the construction and management phase

Aviation: positive assessment of best in class characteristics, e.g. lowest fuel consumption per passenger (for aircraft) or lowest CO2 emissions

Renewable energies: positive assessment of sensible renewable energy investments

Private Equity: Advisor is supposed to have signed Unpri

Funds of Funds: Renewable & Infrastructure in line with 10 out of 17 of the sustainable development goals of the United Nations (UN).

- Resource scarcity
- Technology developments
- Other, specify (1)
- Other, specify (2)
- None of the above

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

ESG goals will become more and more important in the investment decision. For example, MiFID II defines a new target market called "sustainability". We are prepared for this so that there will be an ESG sustainability profile for every investment.

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

If ESG topics are given insufficient consideration, the investment receives a lower rating. In the case of violations of the basic principles of LBBW, the project is rejected from the outset.

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

No

SG 13.3	If not, please explain why.
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This is not necessary as we are exclusively active in the B2B business. Regulatory requirements will concern us in such a way that in future our customers will automatically demand compliance with ESG principles when advising on products.

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.

Yes

SG 14.2

Describe how you manage potential conflicts of interest.

As a subsidiary of the LBBW Group, we have automatically adopted the same compliance requirements.

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 same service regulations and organizational measures apply to BWEquity employees as to LBBW employees. This includes the strict obligation to maintain banking secrecy and not to disclose business secrets. Organizational measures and access restrictions prevent unauthorized access to business data.

No

BW Equity GmbH

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Confidence building measures

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