CLIMATE TRANSPARENCY REPORT

2019

Wermuth Asset Management

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response.The full Public Transparency Report is available here(https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-EA3527F4-9BA9-4D3B-91BC-0721827C3C81/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/).It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as "private". Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the PRI website and on the Data Portal.

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose.The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	-	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	✓	Public				
SG 14.5	-	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	✓	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Wermuth Asset Management
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US$ 0.1 - 0.99 billion AUM
Main Asset Class	>50% Private Equity Internally Managed
Signed PRI Initiative	2016
Region	Europe
Country	Germany
Disclosure of Voluntary Indicators	26% from 38 Voluntary indicators

Wermuth Asset Management

Reported Information

Public version

Strategy and Governance

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.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General

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

SG 01.1	Indicate if you have an investment policy that covers your responsible investment approach.

◉ Yes

SG 01.2	Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
☑ Policy setting out your overall approach ☑ Formalised guidelines on environmental factors ☐ Formalised guidelines on social factors ☐ Formalised guidelines on corporate governance factors ☐ Fiduciary (or equivalent) duties ☑ Asset class-specific RI guidelines ☐ Sector specific RI guidelines ☑ Screening / exclusions policy ☐ Engagement policy ☐ (Proxy) voting policy ☐ Other, specify (1) ☐ Other, specify(2)	◉ Applicable policies cover all AUM ○ Applicable policies cover a majority of AUM ○ Applicable policies cover a minority of AUM

SG 01.3	Indicate if the investment policy covers any of the following

☑ Your organisation's definition of ESG and/or responsible investment and it's relation to investments
☑ Your investment objectives that take ESG factors/real economy influence into account
☑ Time horizon of your investment
☑ Governance structure of organisational ESG responsibilities
☑ ESG incorporation approaches
☑ Active ownership approaches
☑ Reporting
☑ Climate change
☐ Understanding and incorporating client / beneficiary sustainability preferences
☑ Other RI considerations, specify (1)

	Other description (1)

Given that all investments must pass the positive impact requirement first, no investment is made unless GGF2 expects it to have a substantial impact on the environment. Their activities are not limited to reduction of CO2 emissions only; they can also include reduction of other waste through greater resource efficiency

☐ Other RI considerations, specify (2)

SG 01.4	Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties,and how they consider ESG factors and real economy impact.

The Manager believes that its strategy meets two objectives: (1) superior financial returns, (2) a positive, ie, "green" impact on the environment.

Financial success is the foremost consideration. However, no investment will be undertaken unless there is a clear measurable positive impact on the environment through the products or activities of the portfolio companies (the "Portfolio Companies") or their clients. For each investment an "impact memorandum" will be produced to assess its likely impact and to determine how it can be measured. Given that all investments must pass the positive impact requirement first, no investment is made unless GGF2 expects it to have a substantial impact on the environment. This may be either through the successful growth and activities of Portfolio Companies during the Holding Period or in the future if a Portfolio Company is being prepared for global growth. Their activities are expected to reduce CO2 emissions and other waste through greater resource efficiency or a switch to renewable power; it is also regarded as a positive impact if they improve the quality of land, water, air et al.

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

The GGF2 aims to address, in a profitable fashion, global trends such as the world's population growth towards 8 billion- 9 billion people. According to Reuters the world's middle class may increase from 1 to 2 billion to 4.9 billion people by 2030. This will lead to accelerated urbanisation, the depletion of natural resources and threats of climate change and increased pollution.

Furthermore, GGF2 seeks to contribute to the move away from today's unsustainable linear (take-consume-dispose) fossil-fuel powered economy, towards a waste-free "circular" or "upcycle" economy based on enhanced internet-enabled resource efficiency, decentralised production and renewable power that is competitive without subsidies.

The Manager believes that its strategy meets two objectives: (1) superior financial returns, (2) a positive, ie, "green" impact on the environment.

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The prospective Portfolio Companies generally should have the potential to reach global markets with their goods and services either directly or through licensing. Due to the currently highly inefficient economies in many emerging economies, Portfolio Companies' impact there might be more pronounced (for example replacing double glazing with triple glazing in the EU will not have a major impact but introducing triple glazing where there are no windows at all will have a major impact and could also be very profitable). However, the main market of the Portfolio Companies will likely remain the EU, where highly impactful technologies are being created. Even though the impact per euro spent is likely to be higher in less efficient markets, there will also be a significant environmental impact in the EU.

Given the Fund's strategic focus on resource efficiency, the Manager sees only limited and often no conflict between the financial return and the environmental impact targets of GGF2: The more resource efficient a Portfolio Company's products or services and the stronger its sales, the greater its clients' and probably the

PRI Principles for Responsible Investment

Portfolio Company's own profits and its environmental impact. The Carry Vehicle thus has accepted that its Carried Interest is not just a function of meeting a financial Hurdle, but also of meeting an aggregate Impact Hurdle on a whole fund basis based on Impact Hurdles set out for each Portfolio Company. Actual performance will be measured against these hurdles.

The Impact Hurdle has been carefully structured to ensure potential conflicts of interest between achieving financial returns and meeting the Impact Hurdle are limited. Rather, it makes it absolutely clear that while the Fund is a "finance first" impact investor, rather than an "impact first" impact investor who may want to be paid on the basis of achieving "Impact Targets", it is without doubt an impact investor. No investment can be undertaken that will not have a positive environmental impact on top of a high financial return. No Carried Interest shall be paid out unless the Impact Hurdle is met on a whole fund basis.

Such an Impact Hurdle is a relatively novel concept in the financial industry, but the Manager believes that together with the EIF who pioneered the concept, such Impact Hurdle could and should become standard across all asset classes. The Manager believes that Investors clearly care about the impact their investments have and often want to avoid a net negative impact. The Manager enjoyed the support from the EIF in developing the concept and from the Toniic impact investor network, in particular its "100% Impact" network of family offices committed to ensuring that their investments across all asset classes have a positive impact. The Manager feels confident that it is well positioned to implement this approach successfully. In a way, it might establish a new industry standard.

Even though a significant administrative effort will be required at the Fund, the Portfolio Company and even at the level of their clients, it is well worth it, including from a financial return perspective. While there may at first be resistance to more paperwork, once it becomes clear that one is measuring the good things following from an investment, this is in fact taken up well. There is some evidence that performance improves when people also focus on impact.

As set out above in the "Financial return and impact objectives", the Manager believes that by focusing on resource efficiency, there are actually synergies between financial return and environmental impact. There are other ESG considerations where the immediate positive impact on returns may not be so clear, or where additional red tape might even tend to reduce financial return.

○ No

	I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General

SG 01.6 CC	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.

SDG 13: Climate Action - primary goal of the Funds.

There is no country in the world that is not experiencing first-hand the drastic effects of climate change. Greenhouse gas emissions continue to rise, and are now more than 50% higher than their 1990 level. Further, global warming is causing long-lasting changes to our climate system, which threatens irreversible consequences if we do not take action now. The annual average losses from earthquakes, tsunamis, tropical cyclones and flooding amount to hundreds of billions of dollars, requiring an investment of US$6bn annually in disaster risk management alone. The goal aims to mobilize $100bn annually by 2020 to address the needs of developing countries and help mitigate climate-related disasters.

Helping more vulnerable regions, such as land locked countries and island states, adapt to climate change must go hand in hand with efforts to integrate disaster risk measures into national strategies. It is still possible, with the political will and a wide array of technological measures, to limit the increase in global mean temperature to two degrees Celsius above pre-industrial levels. This requires urgent collective action.

The Fund's focus is on environmental factors. One of them is the reduction of CO2 emissions. Portfolio Companies' activities are expected to reduce CO2 emissions and other waste through greater resource efficiency or a switch to renewable power. They are expected to improve the quality of land, water, air et al. Key metrics that will be monitored by the GGF2 are: reduction of CO2 emissions, total water treated, total wastewater treated, hazardous chemicals replaced and alike, depending on the specifics of each Portfolio Company.

Portfolio Companies are expected to report on pre-agreed metrics and on any incidents.

Impact investors do more than investors only committed to ESG. The Manager hopes that the whole financial industry will eventually switch to ESG - and then to impact investing. The Manager will receive Carried Interest only after it has met at least in part, an Impact Hurdle on a whole fund basis, as set out below.

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

◉ Yes

SG 01.8 CC	Indicate the associated timescales linked to these risks and opportunities.

We have scenarios that incorporate price of CO_2 up to Eur130/ton. Usually we use 10-year time horizon internal forecast though in some cases we look longer-term (till 2040).

○ No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?

◉ Yes

○ No

SG 01.10 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

◉ Yes

	Describe

The Fund's focus is on environmental factors. One of them is the reduction of CO_2 emissions. Portfolio Companies' activities are expected to reduce CO_2 emissions. Key metrics that are monitored by the GGF2 include reduction of CO_2 emissions for each Portfolio Company.

While the Manager is aware of the commitments institutions have taken on with regard to ESG standards, it takes its consideration a step further: it puts the focus on the concrete impact not just at the level of Portfolio Companies, but also at the level of their clients. The company BP - by way of example - appears to be 95% ESG compliant according to some experts. In fact, one can argue it causes few CO_2 emissions. All it does is to produce fossil fuels. It does not burn a lot them. However, if one takes into account what its clients do with its products and services, it is clear that the firm has a major indirect negative impact on the environment. Such a company would thus not be a possible portfolio company for the Green Growth Fund 2, as it clearly has a negative net environmental impact.

Impact investors thus do more than investors only committed to ESG. The Manager hopes that the whole financial industry will eventually switch to ESG - and then to impact investing. The Manager will receive Carried Interest only after it has met at least in part, an Impact Hurdle on a whole fund basis.

The Fund aims to have a positive net environmental impact. The Carry Vehicle thus accepts not to receive Carried Interest, or only a fraction of Carried Interest earned - even if the financial Hurdle is met- unless the Fund also meets the "Impact Hurdle" in addition to the conventional financial Hurdle, in particular:

Only if at least 60% of the aggregated Impact Hurdle is achieved will the Carry Vehicle have the right to receive any Carried Interest. No payment of Carried Interest shall take place before. If 60% to 80% of the Impact Hurdle is achieved, the Carry Vehicle will receive a share of Carried Interest growing in a linear fashion from 50% to 100%. If more than 80% of the Impact Hurdle is achieved, the Carry Vehicle shall receive 100% of its Carried Interest.

○ No

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

☑ Public PRI Climate Transparency Report

☑ Annual financial filings

☑ Regular client reporting

☐ Member communications

☐ Other

SG 02	Mandatory	Public	Core Assessed	PRI 6

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

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

☑ Policy setting out your overall approach

	URL/Attachment

☑ URL

	URL

{hyperlink:https://wermutham.com/ggf2/}

☐ Attachment (will be made public)

☑ Formalised guidelines on environmental factors

	URL/Attachment

☐ URL

☑ Attachment (will be made public)

	Attachment

File 1:Impact Hurdle Description GGF2.pdf

☐ Asset class-specific RI guidelines

☑ Screening / exclusions policy

	URL/Attachment

☑ URL

URL

{hyperlink:https://wermutham.com/investment-strategies/}

☑ Attachment (will be made public)

Attachment

File 1:WEIDS-Feb2019-MonthlyFactsheet.pdf

☐ We do not publicly disclose our investment policy documents

SG 02.2	Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

☑ Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

☑ URL

URL

{hyperlink:https://wermutham.com/belief/}

☐ Attachment

☑ Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

☑ URL

URL

{hyperlink:https://wermutham.com/belief/}

☐ Attachment

☐ Time horizon of your investment

☑ Governance structure of organisational ESG responsibilities

URL/Attachment

☐ URL

☑ Attachment

File Attachment

{hyperlink:WAM ESG manual Apr2018 clean.pdf [375KB]}

☑ ESG incorporation approaches

	URL/Attachment

☐ URL

☑ Attachment

	File Attachment

{hyperlink:WAM ESG manual Apr2018 clean.pdf [375KB]}

☐ Active ownership approaches

☐ Reporting

☑ Climate change

	URL/Attachment

☑ URL

	URL

{hyperlink:https://wermutham.com/belief/}

☐ Attachment

☐ Other RI considerations, specify (1)

☐ We do not publicly disclose any investment policy components

SG 02.3	Additional information [Optional].

The Manager believes that a new green industrial revolution is now under way, characterised by increasing internet-enabled resource efficiency and increasing competitiveness of renewable energy and electric cars with vehicle-to-grid charging capabilities.

While it has taken a lot of political will and subsidies to get to where we are today, the Manager believes that there is now in many cases an economic case for renewables as well as electric vehicles if their batteries can be used as storage power plants thanks to vehicle-to-grid charging capabilities, if there is a level playing field and neither fossil fuels nor renewables are subsidised. This means we could be headed for a period of exponential growth in these sectors, which are no longer as dependent on government subsidies and politics. This could mean that renewable power- just a fraction of global energy supply today- could provide all of global power in the medium term. There will be regions and sectors which embrace the new, more competitive economic models and technologies which are now available and benefit from this transition, while others will fall behind or disappear altogether.

The Fund invests in "exponential organizations" - companies with a proven business model and technology able to address a global environmental challenge profitably and eventually to reach a billion people, but still pre-profitability prior to scale up.

The Fund is pursuing a dual strategy: (1) it invests growth capital in small and medium sized companies which make their clients more resource efficient, with proven technologies and customers, mainly in Western Europe; and (2) it adds value in a unique fashion by assisting the portfolio companies to sell to growth markets (in the EU and globally, including emerging markets), thereby allowing them to benefit from megatrends and globalisation as well as catalysing positive change.

SDG 13: Climate Action is the primary goal, SDG 7: Affordable and clean energy, SDG 6: Clean water and sanitation, SDG 11: Sustainable cities and communities, SDG 12: Responsible consumption and production are sub-goals.

The overall target is resource efficiency across all sectors driving the "green industrial revolution" the nexus of

energy- (renewables, storage, smart grids),
transport- (electric vehicles, synthetic fuels, batteries, hydrogen), agricultural- (sustainable agriculture, biomimicry, water, air)
circular economy- (recycling, reusing, users instead of consumers)
financial- (distributed solar and food via mobile pay as you go)
and artificial intelligence transitions

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General

SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

	Board members or trustees

☑ Oversight/accountability for climate-related issues

☐ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

SG 07.6 CC	For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

Prior to making an Investment, the Manager shall set at least one, but no more than five, Impact Indicators relevant for such Investment, assign a weight to each of the selected Impact Indicators, and set, for each Impact Indicator, Impact Hurdles and Impact Targets for the companies' expected life, eg, a forecast period of 30 years (unless another long-term period is deemed a better proxy of the company's life). The Manager shall inform the LP Advisory Committee of the selected Impact Indicators, their respective weights, and the Impact Hurdles and Impact Targets set for each of them.

It is expected that Reduction of CO2 emissions via products sold or via less enerfy internsive process of production would be one of the most important impact indicator.

Should the LP Advisory Committee express concerns over the proposed Impact Indicators or Hurdles, it can within 5 days (not less than 2 Business Days) demand an Independent Expert Review ("IER") of international standing. Its members shall be selected prior to the first closing or at the first LP Advisory Committee meeting. They shall include experts such as members of the Carbon Disclosure Project or Professor Michael Braungart. The IER shall decide if the Impact Indicators and Impact Hurdles set for the Investment are reasonable, provided that Impact Indicators and Impact Hurdles that imply a net positive environmental impact over the status prior to the Fund's Investment (regardless of its scale or degree) shall be deemed reasonable. If the net environmental impact of the Investment can reasonably be expected to be negative, the Impact Indicators and Impact Hurdles shall be deemed unreasonable, and the proposed Investment shall therefore be rejected.

Such review shall be completed within 5 (five) Business Days of the receipt of the proposed Impact Indicators and Impact Hurdles from the Manager.

Should the IER find the proposed Impact Hurdles unreasonable, the Manager shall propose a new set of Impact Hurdles within 5 days (not less than 2 Business Days) which shall be reviewed by the IER within 5 days, or the Investment shall be cancelled. The tight timeline shall ensure that the Fund stays competitive in executing on deals versus funds without an impact requirement.

The Impact Indicators, Impact Hurdles and Impact Targets shall be set on a full calendar year basis for each Portfolio Company (i) over the expected holding period of an Investment, and (ii) over the long-term.

The Manager will submit a business plan for the Investment prior to an exit and approved by the board of directors of the respective Portfolio Company. On its basis, the Impact Hurdle Achieved and the Total Impact Hurdle Achieved will be calculated and provided to the LP Advisory Committee, once the divestment is completed.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1

SG 13.1	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

☐ Yes, to assess future ESG factors

☑ Yes, to assess future climate-related risks and opportunities

	Describe

Our portfolio companies should benefit from higher CO2 prices due energy-efficiency of their products. We look at scenarios with higher CO2 prices (up to Eur130/ton) and see how much extra profit that can bring to portfolio companies (both based on higher demand and better margins)

☐ No, not to assess future ESG/climate-related issues

SG 13.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

	We do the following

☐ Allocation between asset classes

☐ Determining fixed income duration

☑ Allocation of assets between geographic markets

☑ Sector weightings

☐ Other, specify

☐ We do not consider ESG issues in strategic asset allocation

SG 13.3	Additional information. [OPTIONAL]

In listed space companies from "Carbon-200" list are excluded, names and sectors with higher CO2 emissions (including Scope 3) are underweighted.

In PE space portfolio companies are usually located in EU however often they have business / subsidiaries in growing markets that can be affected by lower oil price and subsequent currency devaluation. We advise portfolio companies to account for such risks when taking investment decisions. In some cases Funds (GGF/GGF2) can also block certain investments of portfolio companies if we see risks associated with 2 degree scenario as too high.

SG 13 CC	Voluntary	Public	Descriptive	General

SG 13.4 CC	Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans.

☑ Initial assessment

	Describe

For each investment an "impact memorandum" will be produced to assess its likely impact and to determine how it can be measured. Given that all investments must pass the positive impact requirement first, no investment is made unless GGF2 expects it to have a substantial impact on the environment. This impact may occur either during the holding period of the investment or after a sale so someone who may want to take a platform that might have been built global, continuing the efforts. Most portfolio companies are expected to reduce CO2 emissions and through greater resource efficiency, including a switch to renewable power. Other positive environmental impacts can be clean-up of land, water, air et al. Based on the cost of negative externalities avoided by portfolio companies and their clients or the direct environmental benefit, the Fund also aims to report its total environmental impact on a Euro basis. An effort will be made to translate the impact measured into a single Euro figure to be able to report impact quarterly in Euros, too. The aim is to invest in companies whose profitability and impact are aligned, such that for each Euro of profit by investors one Euro of positive environmental impact may well be achieved.

☑ Incorporation into investment analysis

	Describe

Assuming that the cost to society of the emission of one ton of CO2 is €130/ton, which is the CO2 tax in Sweden and roughly based on IMF studies (which estimate that local health costs associated with CO2 is €60/ton and expected global climate costs are €70/ton), one can also estimate the environmental benefits in €-terms

☐ Inform active ownership

☐ Other

SG 13.5 CC	Indicate who uses this analysis.

☑ Board members, trustees, C-level roles, Investment Committee

☑ Portfolio managers

☑ Dedicated responsible investment staff

☐ External managers

☐ Investment consultants/actuaries

☐ Other

SG 13.6 CC	Indicate whether the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy.

◉ Yes

	Describe

Prior to making an Investment, the Manager shall set at least one, but no more than five, Impact Indicators relevant for such Investment, assign a weight to each of the selected Impact Indicators, and set, for each Impact Indicator, Impact Hurdles and Impact Targets for the companies' expected life, eg, a forecast period of 30 years (unless another long-term period is deemed a better proxy of the company's life).

The Impact Indicators, Impact Hurdles and Impact Targets shall be set on a full calendar year basis for each Portfolio Company (i) over the expected holding period of an Investment, and (ii) over the long-term. On this basis, a net present value of the future impact shall be calculated for each potential exit year by discounting future Impact Hurdles at a risk premium rate (which shall be the same as applied to the expected financial returns) plus the terminal value (using the same terminal growth rate as in the financial model). The net present value of the Impact Hurdles at the time of an Investment shall be compared to the net present value of the Impact Hurdles at the time of the exit from an Investment (as derived from the business model of the Portfolio Company approved by its board of directors prior to the exit).

○ No

SG 13.7 CC	Indicate whether a range of climate scenarios is used.

○ Yes, including analysis based on a 2°C or lower scenario

○ Yes, not including analysis based on a 2°C or lower scenario

◉ No, a range is not used

SG 13.8 CC	Indicate the climate scenarios the organisation uses.

Provider	Scenario used
IEA	☐ Beyond 2 Degrees Scenario (B2DS)
IEA	☑ Energy Technology Perspectives (ETP) 2 Degrees scenario
IEA	☐ Sustainable Development Scenario (SDS)
IEA	☐ New Policy Scenario (NPS)
IEA	☐ Current Policy Scenario (CPS)
IRENA	☐ RE Map
Greenpeace	☐ Advanced Energy [R]evolution
Institute for Sustainable Development	☐ Deep Decarbonisation Pathway Project (DDPP)
Bloomberg	☑ BNEF reference scenario
IPCC	☐ Representative Concentration Pathway (RCP) 8.5
IPCC	☐ RPC 6
IPCC	☐ RPC 4.5
IPCC	☐ RPC 2.6
Other	☐ Other (1)
Other	☐ Other (2)
Other	☐ Other (3)

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

SG 14.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

☐ Changing demographics

☑ Climate change

☑ Resource scarcity

☑ Technological developments

☑ Other, specify(1)

	other description (1)

Energy and resource efficiency

☐ Other, specify(2)

☐ None of the above

SG 14.2	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

☑ Established a climate change sensitive or climate change integrated asset allocation strategy

☑ Targeted low carbon or climate resilient investments

	Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM			119	135	000
Currency	USD				
Assets in USD			119	135	000

	Specify the framework or taxonomy used.

We invest in firms with a positive impact on the environment and support them to develop sustainably.

IMPACT INVESTMENTS ACROSS ALL ASSET CLASSES
"Impact investments" for us are defined as investments with "market or above-market returns" and a "positive environmental impact". Accepting below-market returns would be charity and should not be called "investing". By focusing on resource efficiency, we can achieve both. We aim to invest across all asset classes which have a positive impact. It is likely that the global financial system will move towards the measurement of risk, return and impact as the new standard. Investors demand more transparency on the effects of their investments. We will move to "civil capitalism" just as we have moved in many places to "civil society".

A key focus for us is the introduction of market-based mechanisms where prices reflect the true costs of economic activities, including "externalities". By way of example, the local health costs for CO2 emissions are estimated at around Euro 60/ton, the costs of global warming Euro 70/ton on top, for a total of Euro 130/ton. Globally, however, CO2 emissions are actually subsidized

☐ Phase out your investments in your fossil fuel holdings

☑ Reduced portfolio exposure to emissions intensive or fossil fuel holdings

☑ Used emissions data or analysis to inform investment decision making

☑ Sought climate change integration by companies

☑ Sought climate supportive policy from governments

☐ Other, specify

☐ None of the above

SG 14.3	Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

☑ Scenario analysis

☑ Disclosures on emissions risks to clients/trustees/management/beneficiaries

☑ Climate-related targets

☐ Encouraging internal and/or external portfolio managers to monitor emissions risks

☐ Emissions-risk monitoring and reporting are formalised into contracts when appointing managers

☑ Weighted average carbon intensity

☑ Carbon footprint (scope 1 and 2)

☑ Portfolio carbon footprint

☐ Total carbon emissions

☐ Carbon intensity

☑ Exposure to carbon-related assets

☐ Other emissions metrics

☐ Other, specify

☐ None of the above

SG 14.4	If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

We do not use internally any external disclosure tools.

We use internal framework. Portfolio companies do disclosure on the quarterly basis. Usually portfolio companies are asset-light thus it is rare the case that they would be directly exposed to climate related risks. We target the companies whose products would lead to less CO2 emissions thus having positive impact on environment.

SG 14 CC	Voluntary	Public		General

SG 14.6 CC	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	☑ All assets ☐ Majority of assets ☐ Minority of assets	In PE as impact hurdle - CO_2 reduction due to products sold; in listed assets names from "Carbon-200" list are excluded - target is to have low Scope1+2+3 emissions	CO_2, thousand metric tons	IRIS metrics are used: Greenhouse Gas Emissions: Total (OI1479); Greenhouse Gas Reductions due to Products Sold (PI5376) Calculated in line with IRIS guidelines
Weighted average carbon intensity	☐ All assets ☐ Majority of assets ☑ Minority of assets	Listed assets: to compare to index	CO tons per Eur1m of Revenues, weighted with marketprice based weights across portfolio	Data from Bloomberg re Scope1, Scope2 and Scope 3 emissions where available, some own research, technics for interpolating Scope 3 data to the whole sector where not enough data
Carbon footprint (scope 1 and 2)	☐ All assets ☐ Majority of assets ☑ Minority of assets	for some portfolio companies in PE space when relevant: To track the impact; used when the process is less energy intensivy than industry benchmark, for example	CO_2, thousand metric tons	Calculated bases on energy intensity of the process compare to industry benchmark (Scope 2 mainly)
Portfolio carbon footprint	☐ All assets ☐ Majority of assets ☑ Minority of assets	Listed assets: to compare to index	CO tons per Eur1m of Revenues, weighted with marketprice based weights across portfolio	Data from Bloomberg re Scope1, Scope2 and Scope 3 emissions where available, some own research, technics for interpolating Scope 3 data to the whole sector where not enough data

Exposure to carbon-related assets	☑ All assets ☐ Majority of assets ☐ Minority of assets	0 exposure across all asset classes	in % of the portfolio	On listed assets: exclude from the long all names from "Carbon-200" list; can still have some shorts in these names in quantitative L/S strategies

SG 14.7 CC	Describe in further detail the key targets.

Targettype	Time Frame	Description	Attachments
☑ Absolute target ☐ Intensity target	LT; <w:br />usually <w:br />set-up <w:br />for the <w:br />period <w:br />of up <w:br />to 30 <w:br />years	I attached a case study for one of the portfolio companies. That is a reduction in CO2 emissions due to production of more efficient solar wafers (and replacement by solar of traditional energy mix). Greenhouse Gas Reductions due to Products Sold (PI5376) (Units/Volume Sold: Total (PI1263)×(Greenhouse Gas Emissions of Product Replaced (PD2243)−Greenhouse Gas Emissions of Product (PD9427))), tons	File 1:Impact metrics for NexWafe final.pdf
☑ Absolute target ☐ Intensity target	LT; <w:br />usually <w:br />set-up <w:br />for the <w:br />period <w:br />of up <w:br />to 30 <w:br />years	I attached a case study for one of the portfolio companies. That is a reduction in CO2 emissions due to switch to grass-paper from wood-based paper, as a result substantial CO2 savings are achieved. Greenhouse Gas Reductions due to Products Sold (PI5376) (Units/Volume Sold: Total (PI1263)×(Greenhouse Gas Emissions of Product Replaced (PD2243)−Greenhouse Gas Emissions of Product (PD9427))), tons	File 1:Impact metrics for Scheufelen 20180924.pdf
☑ Absolute target ☐ Intensity target	LT; <w:br />usually <w:br />set-up <w:br />for the <w:br />period <w:br />of up <w:br />to 30 <w:br />years	Emission reduction due to product sold (specialty concrete; thiner floors -> less emissions); emissions reduction per sq.m of floor is calculated based on industry average. On quarterly basis data collected on amounts of sq.m. of floors done with the usage of this specialty concrete. Primekss Group Switzerland AG is an advanced concrete specialist with headquarters in Riga, Latvia. The company mainly relies on PrimeComposite, a method for making concrete elements, using proprietary IP based on a combination of anti-shrinkage cement and high-dosage steel fibres. The use of PrimeComposite reduces CO2 emissions by 22.5 kg per square meter of concrete floor compared to conventional concrete. Because of the high temperatures needed for its production, cement (a key component to produce concrete) is a major polluter. Globally, it is responsible for 7% of all CO2 emissions. It is possible to cut those emissions by more than 40%.	
☑ Absolute	LT; <w:br />usually	General description of impact hurdle for GGF2	File 1:Impact

target ☐ Intensity target	<w:br />set-up <w:br />for the <w:br />period <w:br />of up <w:br />to 30 <w:br />years	fund	Hurdle Description GGF2.pdf
☐ Absolute target ☐ Intensity target			

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

⦿ Process for climate-related risks is integrated into overall risk management

	Please describe

GGF2 investment policy includes the follwoing main points:
-provides growth/buyout private equity to EU small and medium sized enterprises, which make their clients more resource efficient
-assists EU firms to sell to growth markets
-improves the environment
No investment will be undertaken unless there is a clear measurable positive impact on the environment through the products or activities of the
portfolio companies (the "Portfolio Companies") or their clients. For each investment an "impact memorandum" will be produced to assess its likely
impact and to determine how it can be measured. Given that all investments must pass the positive impact requirement first, no investment is made
unless GGF2 expects it to have a substantial impact on the environment. This may be either through the successful growth and activities of Portfolio
Companies during the Holding Period or in the future if a Portfolio Company is being prepared for global growth. Their activities are expected to reduce
CO2 emissions and other waste through greater resource efficiency or a switch to renewable power; it is also regarded as a positive impact if they
improve the quality of land, water, air et al.
Continuous monitoring: We track and reconsider ESG matters (including climate-related risks) during the monitoring of the investment. In this way, we
support the funds' portfolio companies in a proactive and timely manner to address material ESG risks and capture opportunities to create additional
value in their businesses. The progress is reviewed on a quarterly basis by the Sustainability Committee.
Sustainable value at exit: The Funds' approach is dedicated to create sustainable value before realizing that value by means of an exit. In this way, the
Funds' long-term impact investment strategy can add value not only for the investors, but for portfolio company employees, customers, other
stakeholders and society at large.

○ Process for climate-related risks is not integrated into our overall risk management

SG 14.9 CC	Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.

⦿ Yes

	Please describe

No investment will be undertaken unless there is a clear measurable positive impact on the environment through the products or activities of the
portfolio companies (the "Portfolio Companies") or their clients. For each investment an "impact memorandum" will be produced to assess its likely
impact and to determine how it can be measured. Given that all investments must pass the positive impact requirement first, no investment is made
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Companies during the Holding Period or in the future if a Portfolio Company is being prepared for global growth. Their activities are expected to reduce
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value in their businesses. The progress is reviewed on a quarterly basis by the Sustainability Committee.
Sustainable value at exit: The Funds' approach is dedicated to create sustainable value before realizing that value by means of an exit.

○ No, we do not engage

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1

SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

◉ Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.

	%

100

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

	Area

☑ Energy efficiency / Clean technology

	Asset class invested

☐ Listed equity

☑ Private equity

	% of AUM

42

Brief description and measures of investment

TMH is a leading European player in the electric mobility services market. The company is primarily active in Germany, Austria, Switzerland and Scandinavia and has established a foothold in California. Customers are utilities, car manufacturers, towns and municipalities, corporate clients and individuals. Products for users of plug-in vehicles (ie, fully electric vehicles, hybrids and range-extended electric vehicles) are home-charging equipment (ElectroDrive), access to public charging, renewable energy and applications around charging.

Nexwafe developed a production process to manufacture silicon wafers (EPI wafer), the base material to produce solar cells, at 50% of the cost compared to traditional wafer production. The wafers enable higher solar cell efficiencies in the production, and only minimal adaption of the solar cell production line are required to replace traditional wafers by EPI wafers.

☐ Renewable energy

☑ Green buildings

Asset class invested

☐ Listed equity

☑ Private equity

% of AUM

46

Brief description and measures of investment

Primekss Group Switzerland AG is an advanced concrete specialist with headquarters in Riga, Latvia. The company mainly relies on PrimeComposite, a method for making concrete elements, using proprietary IP based on a combination of anti-shrinkage cement and high-dosage steel fibres.

The use of PrimeComposite reduces CO2 emissions by 22.5 kg per square meter of concrete floor compared to conventional concrete. Because of the high temperatures needed for its production, cement (a key component to produce concrete) is a major polluter. Globally, it is responsible for 7% of all CO2 emissions. It is possible to cut those emissions by more than 40%.

☐ Sustainable forestry

☐ Sustainable agriculture

☐ Microfinance

☐ SME financing

☐ Social enterprise / community investing

☐ Affordable housing

☐ Education

☐ Global health

☑ Water

Asset class invested

☐ Listed equity

☑ Private equity

% of AUM

12

Brief description and measures of investment

AWG is a leading provider of advanced water systems, solutions and technologies for the oil & gas industry, the energy sector and other process industries. AWG addresses some of the most critical water and waste water requirements of the most polluting process industries, including oil & gas and energy, such as produced water, seawater for injection, process water, cooling water, boiler feed water, spent caustic and refinery waste water. AWG's water treatment solutions could reduce the consumption of fresh water and energy to a minimum, as well as achieve zero liquid discharges; the solutions treat wastewater in compliance with the strictest industrial and even drinking water quality standards, depending on the needs of a client.

WAM encouraged AWG to develop and monitor the concrete reporting metrcis on water treated and water saved.

☐ Other area, specify

○ No