



CLIMATE TRANSPARENCY REPORT 2020

BMG Group Inc.

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 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-E66CE9CD-3900-4165-A1AC-34D7AF10A22A/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). 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 2020 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 01.6 CC | ✓ | Public | | | | |
| SG 01.7 CC | ✓ | Public | | | | |
| SG 01.8 CC | ✓ | Public | | | | |
| SG 01.9 CC | ✓ | Public | | | | |
| SG 01.10 CC | ✓ | 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 14.6 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 | BMG Group Inc. |
| Signatory Category | Fund Management - Majority |
| Signatory Type | Investment Manager |
| Size | US\$ 0.1 - 0.99 billion AUM |
| Main Asset Class | >50% Commodities Internally Managed |
| Signed PRI Initiative | 2016 |
| Region | North America |
| Country | Canada |
| Disclosure of Voluntary Indicators | 100% from 38 Voluntary indicators |

BMG Group Inc.

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.

| | | | | |
|----------|---|--------|-------------|---------|
| SG 01 CC | Mandatory to Report Voluntary to Disclose | Public | Descriptive | General |
|----------|---|--------|-------------|---------|

SG 01.6 CC Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

Board of Directors oversees the risk culture and internal control framework across the BMG. As part of its mandate, the Board oversees controls and risks related to climate change issues affecting stakeholders, As an organization in financial sector, we are exposed to potential climate related risks could arise from emerging regulations and carbon-related problems involving our clients, as well as more extreme weather events causing massive redemptions, impacting our clients.

No

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

Yes

Describe the associated timescales linked to these risks and opportunities.

Associates timescales and procedures are described in our Disaster & Recovery Manual.

No

SG 01.8 CC Indicate whether the organisation publicly supports the TCFD?

Yes

No

SG 01.9 CC Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

No

Describe how and over what time frame the organisation will implement an organisation-wide strategy that manages climate-related risks and opportunities.

In the near future.

SG 1.10 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
- We currently do not publish TCFD disclosures

Governance and human resources

| | | | | |
|-----------------|--|---------------|--------------------|----------------|
| SG 07 CC | Mandatory to Report Voluntary to Disclose | 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.

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.7 CC For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

The CEO (who is also the Chief Compliance Officer) and the VP of Human Resources maintain policies & procedures, guidelines and employee training.

ESG issues in asset allocation

| | | | | |
|--------------|------------------|---------------|--------------------|--------------|
| SG 13 | Mandatory | Public | Descriptive | PRI 1 |
|--------------|------------------|---------------|--------------------|--------------|

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

Yes, in order to assess future ESG factors

Describe

BMG Funds have a fixed investment policy. BMG Funds invest only in LBMA London Good Delivery Bars of precious metals. The LBMA Responsible Gold Guidance consolidates and formalizes already existing high standards of refiners' due diligence. The Guidance is based on the OECD Due Diligence Guidance.

Yes, in order to assess future climate-related risks and opportunities

Describe

With the heightened focus on climate risk all around the world over this past year, this is a fairly new initiative that we will embrace and educate ourselves on how we can help to reduce our carbon footprint.

No, our organisation does not currently carry out scenario analysis and/or modelling

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]

We take our cue from the LBMA and its 'Responsible Gold Guidance' program - we are an associate member and only source our bullion through them.

| SG 13 CC | Mandatory to Report Voluntary to Disclose | Public | Descriptive | General |
|----------|---|--------|-------------|---------|
|----------|---|--------|-------------|---------|

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

Initial assessment

Describe

We educate, train and motivate employees to conduct their activities in an environmentally responsible manner. Whenever possible, we encourage meetings to be held via video conference, thereby avoiding the need to drive or fly.

Since BMG funds invest in LBMA good delivery bars we continue to monitor their Responsible Gold Guidance initiatives.

- Incorporation into investment analysis
- 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 your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

- Yes
- No

Please explain the rationale

Climate related risk is a fairly new initiative for BMG. We will continue to educate ourselves to better understand what we can do as an organization to eliminate our carbon footprint

SG 13.7
CC

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

SG 13.8
CC

Indicate the climate scenarios your organisation uses.

| Provider | Scenario used |
|---------------------------------------|--|
| IEA | <input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS) |
| IEA | <input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario |
| IEA | <input type="checkbox"/> Sustainable Development Scenario (SDS) |
| IEA | <input checked="" type="checkbox"/> New Policy Scenario (NPS) |
| IEA | <input type="checkbox"/> Current Policy Scenario (CPS) |
| IRENA | <input type="checkbox"/> RE Map |
| Greenpeace | <input type="checkbox"/> Advanced Energy [R]evolution |
| Institute for Sustainable Development | <input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP) |
| Bloomberg | <input type="checkbox"/> BNEF reference scenario |
| IPCC | <input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5 |
| IPCC | <input type="checkbox"/> RPC 6 |
| IPCC | <input type="checkbox"/> RPC 4.5 |
| IPCC | <input type="checkbox"/> RPC 2.6 |
| Other | <input type="checkbox"/> Other (1) |
| Other | <input type="checkbox"/> Other (2) |
| Other | <input type="checkbox"/> 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, specify(2)
- None of the above

| | | | | |
|-----------------|------------------|---------------|--|----------------|
| SG 14 CC | Voluntary | Public | | General |
|-----------------|------------------|---------------|--|----------------|

SG 14.8 CC

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

- Processes for climate-related risks are integrated into overall risk management

Please describe

We educate, train and motivate employees to conduct their activities in an environmentally responsible manner. Whenever possible, we encourage meetings to be held via video conference, thereby avoiding the need to drive or fly.

Since BMG funds invest in LBMA good delivery bars we continue to monitor their Responsible Gold Guidance initiatives.

- Processes for climate-related risks are not integrated into overall risk management

| | | | | |
|--------------|--|---------------|--------------------|--------------|
| 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
- Renewable energy
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

Physical bullion

Asset class invested

- Commodities

Percentage of AUM (+/-5%) per asset class invested in the area

100

- Cash

Brief description and measures of investment

The social theme is that the financial environment has many qualitative risks that current risk analysis fails to adequately acknowledge leaving investors at the mercy of products they don't understand. Today's market is largely filled with derivatives of one sort or another where it is unclear who the counterparty is or what kind of leverage is being deployed. BMG offers with an answer to the problem.

No