



CLIMATE TRANSPARENCY REPORT 2020

BPL Pensioen

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/-E48164E8-B8BA-4FDB-8061-7C08CA7DCB71/79894dbc337a40828d895f9402aa63de/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	✓	Private				
SG 07.6 CC	✓	Private				
SG 07.7 CC	✓	Private				
SG 07.8 CC	✓	Private				
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	-	Private				
SG 14.7 CC	-	Private				
SG 14.8 CC	-	Private				
SG 14.9 CC	-	Private				
SG 15.1	✓	Private				
SG 15.2	✓	Private				
SG 15.3	✓	Private				

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	BPL Pensioen
Signatory Category	Non-corporate pension or superannuation or retirement or provident fund or plan
Signatory Type	Asset Owner
Size	US\$ 10 - 29.99 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2015
Region	Europe
Country	Netherlands
Disclosure of Voluntary Indicators	32% from 38 Voluntary indicators

BPL Pensioen

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.

Although there is no explicit reference to the TCFD, BPL Pension does implement (or already did) the TCFD recommendations. For example, the governance with regard to our RI policy is clear, climate crisis scenarios are used for portfolio construction and we already report for several years on climate related metrics in our half-year reports. The objectives of the spearhead policy are clear and the transition and physical risks associated with climate change are recognized. Mitigating or controlling these risks is the main objective of the policy and the policy instruments are mainly used for this.

The climate risks are further identified and mitigated through:

- a strict restrictive policy with regard to thermal coal and tar sands;
- ESG-integration strategies for our equity and credit portfolios with a strong focus on climate-related risks;
- a carbon optimisation of the equity and credit portfolios;
- an engagement strategy with a strong focus on our spearhead policy on climate;
- SMART-objectives to bring the real estate portfolio more in line with our beliefs with regard to climate change - for example, making buildings carbon neutral (mitigation) but also making them more resilient with regard to the consequences of climate change (adaptation).

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.

In our spearhead policy on climate, 3 plausible mainline scenarios with regard to fossil fuels are distinguished. A scenario focused on the short term (5 years) where there are abrupt transition risks, a scenario focused on the longer term (10 years) in which there is a gradual transition and a scenario with a further time horizon (> 15 years) in which the dependency of fossil fuels is decreasing but where the transition is not getting off to a good start and fossil fuels remain the main source of energy.

Due to political reluctance and a lack of technological breakthroughs, BPL Pension considers the most

likely transition to be a gradual one, in which fossil fuels will ultimately still form a significant part of the energy mix in the longer term. BPL Pension does not foresee any major transition risks for the portfolio as a whole in the short term. For specific parts of the portfolio however, we consider the chance that transition risks will become material in the short term as significant. These risks are controlled, among other things, through ESG-integration strategies, carbon optimisation and restrictive policies with regard to the most polluting fossil fuels.

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

Explain the rationale

Although there is no explicit reference to the TCFD, BPL Pension does implement (or already did) the TCFD recommendations. Though there is no public statement on TCFD recommendations, they are reflected in the dialogues in the engagement program.

**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

Describe

Yes, our spearhead policy on climate covers our entire fixed income (credits and SSA), equity and real estate portfolio. With these asset classes, more than 95% of our assets are covered by our climate policy.

No

**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

specify

Although there is no explicit reference to the TCFD, we do implement the recommendations. Disclosures can be found on our website.

We currently do not publish TCFD disclosures

Governance and human resources

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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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
- Yes, in order to assess future climate-related risks and opportunities

Describe

A crisis scenario on climate change has been applied to our ALM and portfolio construction study. The climate crisis scenario describes a situation in which a combination of physical and transition risks will lead to a shock in the economy and in the financial markets in the short term.

- 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 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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**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

For the ALM studies and portfolio construction studies, we use base scenarios as input. In addition to the "normal" uncertainty surrounding the base scenario, we also use four shock scenarios. These shock scenarios are a sanity check on the base scenario and provide insight into extreme scenarios. These scenarios are deterministic in nature and have a five-year horizon.

In addition, we have developed crisis scenarios that are focused on the short term. The horizon used is one year. For such risks, each scenario briefly describes and discusses the expected impact on the main macroeconomic variables (growth and inflation). The expected impact on the financial markets if the crisis scenario is priced in is also investigated.

Within the ALM and portfolio construction studies we make use of crisis scenario's. Our climate crisis scenario describes a situation in which a combination of physical and transition risks will lead to a shock in the economy and in the financial markets in the short term. The climate crisis scenario therefore takes place along the following lines:

- Physical impact of climate change

- Political momentum for energy transition is increasing strongly
- Energy transition has an impact on the economy
- Financial markets respond to economic changes

Incorporation into investment analysis

Describe

Part of the climate crisis scenario is looking at policy options to limit the loss in a crisis scenario. BPL Pension distinguishes 2 policy options for the climate crisis:

- Reduction of exposure to risky investments with a link to fossil fuels
- Increase the share of sustainable investments in the portfolio.

Although the short-term risks for the portfolio as a whole are estimated to be low, BPL Pensioen observes that climate risks can already be very material in the short term in specific regions, markets or sectors. We therefore apply these options in the portfolio in the form of a restrictive policy and ESG best in class strategies.

Inform active ownership

Describe

Based on the results of the Paris Agreement Capital Transition Assessment (PACTA) tool developed by 2 degrees investing initiative, potential opportunities for the engagement program are identified.

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

For now our main focus has been on the short and middle term time horizon.

**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 checked="" type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input 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 14.2

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			325	849	702
Currency	EUR				
Assets in USD			359	184	549

Specify the framework or taxonomy used.

By setting target allocations for green bonds for the fixed income portfolios BPL Pensioen invests in low carbon and climate resilient strategies.

Hereby BPL Pensioen uses an independent framework in order to determine that the proceeds of green bonds are actually used for green projects. This framework is derived from the international guidelines Green Bond Principles and the Climate Bonds taxonomy of the Climate Bonds Initiative.

The Green Bond Principles oversee the process by which green bonds are brought to the market and include:

- Principles on the use of the capital raised
- Principles surrounding the project appraisal and selection process
- Principles for the management of raised capital
- Reporting principles

In the analysis very specific attention is paid to gaining insight into how does the green bond fit within the context of the issuer's overarching objectives, strategy or policy and what does the issuer strive to achieve (what is the context) and does this make sense?

The taxonomy of the Climate Bonds Initiative serves as a framework for assessing funded projects and must contribute to confidence that the projects financed with the proceeds have a demonstrable positive impact on the environment or climate.

- 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