



CLIMATE TRANSPARENCY REPORT

2019

VERKA VK Kirchliche Vorsorge VVaG

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/-7E92556E-848D-4F9E-902A-A8EBD4163EF0/00000000-0000-0000-0000-000000000000/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 | VERKA VK Kirchliche Vorsorge VVaG |
| Signatory Category | Non-corporate pension or superannuation or retirement or provident fund or plan |
| Signatory Type | Asset Owner |
| Size | US\$ 1 - 4.99 billion AUM |
| Main Asset Class | Multi-Asset |
| Signed PRI Initiative | 2014 |
| Region | Europe |
| Country | Germany |
| Disclosure of Voluntary Indicators | 92% from 38 Voluntary indicators |

VERKA VK Kirchliche Vorsorge VVaG

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 |
|--|--|
| <input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Engagement policy <input type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2) | <input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> 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 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.

For Verka, the investment principles of quality / security, profitability, liquidity and sustainability form the basis for the investment strategy as an equivalent principle. Each investment principle is also linked to sustainability. In terms of sustainability, ecological, social and governance-related aspects, as well as economic sustainability, are also considered. In addition, impact on the 17 sustainable development goals of the UN is considered as much as possible. This applies to all asset classes and each single investment.

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 investment policy contains requirements for ethical, social and ecological exclusion criteria, positive criteria, best-in-class approaches including SDG impact, engagement, memberships and initiatives as well as climate objectives under the investment strategy. In addition, the Sustainability Guide of the Protestant Church in Germany is taken into account and is decisive in doubtful questions.

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.

In the foreground is the risk of progressive significant global warming and the resulting increase in sea level due to the melting of the polar ice caps. Unless immediate, effective countermeasures are taken, entire tracts of land will disappear within years. The main cause of climate change is the immense CO2 emissions. As a responsible institutional investor, we have joined various initiatives to limit global warming to below 2 degrees Celsius or 1.5 degrees Celsius maximum. We measure the carbon footprint of our investment portfolio and significantly limit emissions compared to conventional benchmark indices. Corresponding information is also checked in the context of direct investments in advance. In addition, companies are working to improve energy efficiency through various engagement measures. In the real estate sector, care is taken to ensure that the individual properties are energy-efficient and ideally certified accordingly. The same applies to infrastructure investments, where Verka also invests in energy efficiency measures, and Timber investments.

**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.

Over the next three years, the global emissions turnaround needs to be achieved in order to meet global warming mitigation targets and prevent threatening sea-level rise. For this purpose, all assets have to fulfill corresponding requirements. In addition, Verka is involved in investor meetings to ensure that other institutional investors take corresponding far-reaching measures.

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

As mentioned above. The strategy is specified in terms of the individual asset classes as part of the investment strategy. For example, the carbon footprint of investment funds must be at least 10% below the respective benchmark.

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://www.ekd.de/ekd_de/ds_doc/ekd_texte_113_2016.pdf}

- Attachment (will be made public)

| | |
|--|------------|
| | Attachment |
|--|------------|

[File 1:Investment_Guidelines_Verka_2019.doc](#)

- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- Asset class-specific RI guidelines
- Sector specific RI guidelines
- Screening / exclusions policy
- 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://www.verka.de/fileadmin/user_upload/Downloads/VK/Kapitalanlagen/Nachhaltigkeitsbericht_VERKA_VK.pdf](https://www.verka.de/fileadmin/user_upload/Downloads/VK/Kapitalanlagen/Nachhaltigkeitsbericht_VERKA_VK.pdf)}

- Attachment
- 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
- We do not publicly disclose any investment policy components

| | |
|----------------|------------------------------------|
| SG 02.3 | Additional information [Optional]. |
|----------------|------------------------------------|

We do not publish all of these documents in detail because of the competition situation but we publish the basic direction related to all asset classes as we report it in connection with this PRI report.

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

| | |
|--|---|
| | 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

| | |
|--|---|
| | Other Chief-level staff or head of department |
|--|---|

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

| |
|--------------------|
| Portfolio managers |
|--------------------|

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

| |
|---------------------|
| Investment analysts |
|---------------------|

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

| |
|--|
| External managers or service providers |
|--|

- 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. |
|-----------------------------|--|

The Management Board sets climate targets for the investment portfolio within the framework of the investment policy and the investment strategies and is also responsible for their implementation and compliance. Once or twice a year, the results and adequacy of the climate goals are reviewed during investment committee meetings.

| | |
|-----------------------------|---|
| SG 07.8 CC | Explain how the organisation engages external investment managers on the TCFD recommendations and its implementation. |
|-----------------------------|---|

- Incorporation of TCFD in Annual Report
- Incorporation of TCFD in regular client reporting
- Request that investment managers complete PRI Climate indicators
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner guide

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

| |
|----------|
| Describe |
|----------|

Corresponding analyzes are carried out by central risk management and are reflected in appropriate risk reports and assessments.

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

| | |
|--|----------|
| | Describe |
|--|----------|

Corresponding analyzes are carried out by central risk management and are reflected in appropriate risk reports and assessments.

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 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
- Incorporation into investment analysis

| | |
|--|----------|
| | Describe |
|--|----------|

The carbon footprint for each asset class and overall portfolio is measured as far as data is available and benchmarked. It will be examined whether the relevant requirements are met and whether they should be extended. Moreover, the development of the data in time series is analyzed, as far as appropriate data is available.

Inform active ownership

| | |
|--|----------|
| | Describe |
|--|----------|

Climate-related risks and opportunities are discussed on an ongoing basis with issuers and other stakeholders, and the corresponding portfolio-related analyzes are evaluated. From this, specifications are derived for the asset portfolio.

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

As part of the long-term investment and risk strategy, climate-related risks are also considered well beyond the time-horizon of single investments.

- 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 | <input checked="" 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 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 description (1)

- Political risks, which may lead to war and persecution
- 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 | | 1 | 031 | 645 | 410 |
| Currency | EUR | | | | |
| Assets in USD | | 1 | 176 | 997 | 163 |

Specify the framework or taxonomy used.

Included are investment mandates for which specific climate targets and limits for the carbon footprint have been defined, as well as thematic investments in the fields of alternative energies and energy efficiency measures (as at 30.11.2018).

- 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.

Verka has alternative investments in alternative / renewable energies and energy efficiency measures, for which regular reports were created by the management companies that include information on CO2 savings. This information is made available to the management and customers. Carbon footprint information is also provided.

| 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 | <input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | better carbon footprint than the benchmark | tons CO2 per Mio. EUR turnover or tons CO2 per FTE | CO2 emissions according to Scope 1 and 2 |
| Weighted average carbon intensity | <input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | Reduction of carbon intensity at the overall portfolio level | the same as above | the same as above |
| Carbon footprint (scope 1 and 2) | <input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | Improvement of the carbon footprint at overall portfolio level | the same as above | the same as above |
| Portfolio carbon footprint | <input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | the same as above | the same as above | the same as above |
| Total carbon emissions | <input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | the same as above | the same as above | the same as above |
| Carbon intensity | <input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | the same as above | the same as above | the same as above |
| Exposure to carbon-related assets | <input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | Increase of the exposure to carbon-related assets | percent | percentage of total portfolio |

SG 14.7
CC

Describe in further detail the key targets.

| Targettype | Time Frame | Description | Attachments |
|--|-------------|---|-------------|
| <input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | immediately | at least 10% better carbon footprint than the benchmark | |
| <input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | immediately | exclusion of companies holding fossil fuel reserves | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> 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

Each risk analysis analyzes the connection of climate-related risks with the other types of risk in asset-class-specific terms and looks at correlations between asset classes and single assets. These are included in the determination of the risk-return profile of the respective asset. The goal is to reduce climate-related risks at the individual and overall portfolio level.

- 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

This is evaluated as part of the asset and manager selection process and is tracked through ongoing communication with issuers, asset managers and other counterparties.

- 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.

%

10

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
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

% of AUM

1

- Fixed income - Securitised
- Private equity

% of AUM

6

- Property

% of AUM

2

- Infrastructure

% of AUM

1

- Forestry

% of AUM

1

- Inclusive finance

% of AUM

1

- Cash

Brief description and measures of investment

Verka is invested in green bonds, renewable energy in developed and emerging markets, green infrastructure, a fund for energy efficiency measures related to inventory property and infrastructure and a timber fund aligned by ESG. Verka is also invested in a residential real estate fund in Germany which invests in energy efficient renovation of the objects as part of a value-add strategy.

- Renewable energy

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

% of AUM

3

- Property
- Infrastructure
- Forestry

% of AUM

1

- Inclusive finance

% of AUM

1

- Cash

Brief description and measures of investment

different types of alternative / renewable energies like photovoltaik, wind and water energy

- Green buildings

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property

% of AUM

5

- Infrastructure
- Forestry
- Inclusive finance
- Cash

Brief description and measures of investment

The real estate funds in which Verka is involved (office, apartments, retail, hotels, logistics) should preferably invest in properties that meet green building standards (DGNB, LEED,...) or be at least energy efficient. Our own business building is being refurbished with a high sustainability level (DGNB certificate 'Gold') until the end of this year.

- Sustainable forestry

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property

% of AUM

1

- Infrastructure
- Forestry
- Inclusive finance
- Cash

Brief description and measures of investment

The focus in this area lies on a sustainability-oriented forest fund. Ahead of the investment sustainability has been extensively checked together with ESG experts in terms of reforestation, the exclusion of land grab and the ESG-certification of all forest areas.

- Sustainable agriculture
- Microfinance

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)

% of AUM

1

- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Forestry
- Inclusive finance
- Cash

Brief description and measures of investment

Verka is invested in several bonds used to finance institutions in emerging markets, providing micro loans to micro and small entrepreneurs as part of the development policy in the regions concerned.

- SME financing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

% of AUM

2

- Fixed income - Securitised
- Private equity

% of AUM

2

- Property
- Infrastructure
- Forestry
- Inclusive finance
- Cash

Brief description and measures of investment

Verka is invested in several private debt funds, that provide senior secured floating rate corporate loans including direct lending, mezzanine and private equity capital awarded to medium-sized companies in Europe, which must meet the sustainability requirements of Verka. These companies don't have other possibilities to get money from the capital market.

- Social enterprise / community investing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

% of AUM

2

- Property

% of AUM

1

- Infrastructure
- Forestry
- Inclusive finance
- Cash

Brief description and measures of investment

Impact investing is a topic in infrastructure funds of Verka that invest in social infrastructure funds. ESG topics are part of the due diligence process.

Verka is also invested in a real estate fund for micro apartments for students and young professionals, where the community is encouraged to get together in social places like washing lounges, gyms or cooking together.

- Affordable housing
- Education

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

% of AUM

1

- Property
- Infrastructure
- Forestry
- Inclusive finance
- Cash

Brief description and measures of investment

Investments in educational institutions within the framework of infrastructure funds

- Global health

Asset class invested

- Listed equity

% of AUM

1

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

% of AUM

1

- Fixed income - Securitised

% of AUM

1

- Private equity

% of AUM

1

- Property
- Infrastructure
- Forestry
- Inclusive finance
- Cash

Brief description and measures of investment

diferent investments in health care companies through listed and private equity as well as bonds and loans

- Water

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

% of AUM

1

- Property
- Infrastructure
- Forestry
- Inclusive finance
- Cash

Brief description and measures of investment

Investment in hydropower plants in emerging markets as part of development policy

Other area, specify

energy efficiency in real estate and infrastrucutre

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

% of AUM

1

- Property
- Infrastructure
- Forestry
- Inclusive finance
- Cash

Brief description and measures of investment

energy efficiency in real estate and infrastrucutre

No