



# CLIMATE TRANSPARENCY REPORT

## 2019

OPTrust

# 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/-598064FF-027E-45D6-8B5B-7A8713DADC21/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C\\*complete\\*%7C\\*public\\*/Merged/](https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-598064FF-027E-45D6-8B5B-7A8713DADC21/00000000-0000-0000-0000-000000000000/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	
<b>Name</b>	OPTrust
<b>Signatory Category</b>	Non-corporate pension or superannuation or retirement or provident fund or plan
<b>Signatory Type</b>	Asset Owner
<b>Size</b>	US\$ 10 - 29.99 billion AUM
<b>Main Asset Class</b>	Multi-Asset
<b>Signed PRI Initiative</b>	2010
<b>Region</b>	North America
<b>Country</b>	Canada
<b>Disclosure of Voluntary Indicators</b>	10% from 38 Voluntary indicators

# OPTrust

## 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 type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" 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.

Our Member-Driven Investing (MDI) strategy recognizes our primary duty to preserve the funded status of the Plan. Under this framework, we seek to earn a return high enough to maintain plan sustainability while employing risk purposefully and efficiently so that benefit and contribution levels remain as stable as possible.

Our MDI strategy is supported by OPTrust's Investment Beliefs, a Risk Appetite Statement and a set of performance metrics that closely link portfolio construction with the Plan's funding risks. Our metrics are designed to create strong alignment between members' interests and our investment activities.

Embedded in our investment beliefs is our approach to RI: "ESG factors can affect investment risk, return and our reputation. Understanding and considering the significance of these factors is part of the investment process. Good governance is good business and contributes to value creation and sustainability".

Our Statement of Investment Policies and Procedures, which address the way the fund is invested includes an explicit section on the consideration of ESG factors.

OPTrust seeks to identify, assess and manage ESG factors in a manner that supports both our mission to deliver sustainable pension security and our fiduciary duty to almost 95,000 members and retirees.

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
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**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.

OPTrust's Member-Driven Investing is founded on strong risk management and a risk-conscious culture. Climate change has been identified as a risk we need to better manage, through the same lens used to evaluate other risks to the Plan. We are currently developing our approach to assessing and managing climate change-related risks and ensuring opportunities are captured.

In 2017, we released the white paper Climate Change: Delivering on Disclosure detailing the fund's approach to navigating the complexities of climate change with respect to institutional investing and a call for collaboration in the development of standardized measures for carbon disclosure. In the same year, we undertook innovative research on climate change in partnership with Mercer. The study involved t evaluating the resilience of



OPTrust's total portfolio to four potential climate change scenarios, including a 2° scenario which is the goal of the Paris Climate Agreement. The project furthered our industry's understanding of the need for investors to better manage the risks that climate changes presents. Internally, we facilitated strategic conversations with our investment teams to leverage the value in assessing and managing climate risk and opportunities - a process that is now underway.

In 2018, we released our Climate Change Action Plan (CCAP) which contains eight areas for action that will make OPTrust more resilient and agile to meet the investment challenge. Among others, the areas for action include defining a clear baseline to measure the pension plan's exposure, considering climate risk factors when assessing investments, and pushing for increased disclosure of climate change-related information from portfolio companies. As the materiality of climate change related risks is still being assessed, specific metrics and targets have not been developed.

The CCAP led to the development of a 'current state' assessment of climate-related risks to the total fund through measuring our exposure to industries and geographies that are at higher risk for climate change impacts. We also partnered with Ortec Finance, our asset-liability management service provider to assess the impact of climate-related risks on the Plan's funded status by integrating risks associated with climate change into standard forward-looking financial scenario sets (i.e., climate-savvy scenarios) and explore ways to integrate climate change into the portfolio construction process to drive strategic investment decision-making.

OPTrust reports on climate change-related engagement activities in its annual Responsible Investing (RI) Report. We became one of the first pension funds to report in accordance with the TCFD recommendations in our 2017 Funded Status Report and yearly thereafter in our RI Report with our most recent results to be released in May 2019.

OPTrust's portfolio builds on our approach to investing in opportunities created by the transition to a low carbon economy, which already encompasses a long history of investing in renewables in private markets. Looking at our portfolio through this lens has identified that 8% of OPTrust's portfolio is invested in renewable energy and green real estate.

**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.

The climate-savvy project in partnership with Ortec Finance modeled climate scenarios on a 80-year horizon to the end of the century (2100), reflecting the long-term nature of climate change with a focus on physical risks. Climate impacts can be assessed over any time period within the 80-year horizon.

Three Modeled Global Warming Pathways (80-Year Horizon)

1. 1.5°C disorderly transition pathway (1.5D): exploring a disorderly transition to achieve <2°C target as per Paris Agreement
2. 3°C middle-of-the-road pathway (3D): implementation of currently planned policies (NDCs) - the most likely pathway according to scientists
3. 4+°C higher warming pathway (4D): exploring physical risks including extreme weather events

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

OPTrust released the Climate Change Action Plan (CCAP) in June, our second paper on climate change, that outlines the actions we propose to take to meet this investment challenge. Given our Member-Driven Investing (MDI) strategy and focus on risk, it is only logical we apply the same lens and thoughtfulness to understanding climate change as we do other risks and opportunities we face. To ensure sustainability, we must better understand the risk climate change poses and incorporate this into our investment decision-making, investment management, and portfolio construction processes. As we define our long-term strategy, ensuring that OPTrust's portfolio remains resilient and agile in meeting the challenges of climate change risk is an integral part of our investment mandate. We have set out broad actions that we believe will get us there:

1. Continue to drive for better disclosure of the information investors need to price carbon risk.
2. OPTrust will work with peers, regulators and with companies in which we are invested to achieve meaningful change.
3. We will continue to create awareness and alignment among our investment professionals and investee companies through education.
4. We will develop a 'current state' assessment of climate-related risks to the total fund through measuring our exposure to industries and geographies that are at higher risk for climate change impacts.
5. We will introduce an approach that considers climate risk impact on the total fund and in our portfolio construction framework.
6. We will focus on achieving greater disclosure within our portfolio companies and incorporate climate change-related metrics in the evaluation of new investments.
7. We will use our influence across market participants - from companies to regulators - to drive for improved performance on environmental, social and governance (ESG) issues and advocate for certainty in the regulatory environment and promote the implementation of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.
8. We are committed to reporting our progress against the TCFD framework and to requesting the same disclosure in the companies in which we invest.

The implementation of the CCAP is coordinated by the Responsible Investing team with accountability lying with the Responsible Investing Committee which has representation from the Investment Division Teams, Investment Risk, Legal Services, and Strategy, Communications & Public Affairs.

<https://www.optrust.com/investments/climate-change.asp>

<https://www.optrust.com/documents/OPTrust-Climate-Change-Action-Plan.pdf>

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

specify

Annual Responsible Investing Report

**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.optrust.com/documents/Investments/Statement-of-Responsible-Investing-Principles.pdf}

Attachment (will be made public)

Fiduciary (or equivalent) duties

URL/Attachment

URL

URL

{hyperlink:https://www.optrust.com/documents/Investments/Statement-of-Responsible-Investing-Principles.pdf}

Attachment (will be made public)

Asset class-specific RI guidelines

URL/Attachment

URL

URL

{hyperlink:https://www.optrust.com/documents/Investments/Statement-of-Responsible-Investing-Principles.pdf}

Attachment (will be made public)

Screening / exclusions policy

URL/Attachment

URL

URL

{hyperlink:https://www.optrust.com/documents/Investments/Statement-of-Responsible-Investing-Principles.pdf}

Attachment (will be made public)

Engagement policy

URL/Attachment

URL

URL

{hyperlink:https://www.optrust.com/documents/Investments/Statement-of-Responsible-Investing-Principles.pdf}

Attachment (will be made public)

(Proxy) voting policy

URL/Attachment

URL

URL

{hyperlink:https://www.optrust.com/documents/Investments/Proxy-Voting-Guidelines.pdf}

Attachment (will be made public)

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.optrust.com/documents/Investments/Statement-of-Responsible-Investing-Principles.pdf}

Attachment

Time horizon of your investment

URL/Attachment

URL

URL

{hyperlink:https://www.optrust.com/documents/Investments/Statement-of-Responsible-Investing-Principles.pdf}

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:https://www.optrust.com/documents/Investments/Statement-of-Responsible-Investing-Principles.pdf}

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:https://www.optrust.com/documents/Investments/Statement-of-Responsible-Investing-Principles.pdf}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:https://www.optrust.com/documents/Investments/Statement-of-Responsible-Investing-Principles.pdf}

Attachment

Reporting

URL/Attachment

URL

URL

{hyperlink:https://www.optrust.com/documents/Investments/Statement-of-Responsible-Investing-Principles.pdf}

Attachment

Climate change

URL/Attachment

URL

URL

{hyperlink:https://www.optrust.com/documents/OPTrust-Climate-Change-Action-Plan.pdf}

Attachment

We do not publicly disclose any investment policy components

**SG 02.3** Additional information [Optional].

Additional references for Climate related issues

<https://www.optrust.com/documents/OPTrust-Climate-Change-Delivering-on-Disclosure.pdf>  
[https://www.optrust.com/documents/OPTrust\\_PortofolioClimateRiskAssessment\\_Mercer.pdf](https://www.optrust.com/documents/OPTrust_PortofolioClimateRiskAssessment_Mercer.pdf)

Additional references for SG 02.3 - Investment Beliefs

<https://www.optrust.com/investments/investment-beliefs.asp>

Additional reference for SG 02.2 - Your organisation's definition of ESG and/or responsible investment and it's relation to investments

<https://www.optrust.com/documents/Investments/Statement-of-Investment-Policies-and-Procedures.pdf>

**Governance and human resources**

<b>SG 07 CC</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**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

Dedicated responsible investment staff

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

OPTrust's Board has an oversight role of the Plan's Responsible Investing (RI) program. The Board approves two RI-related policies on an annual basis - the Statement of Responsible Investing Principles and the Proxy Voting Guidelines. The Investment Committee (IC) is responsible for monitoring the implementation of the RI program. The IC receives regular reporting by the Chief Investment Officer (CIO) and RI team on environmental, social and governance (ESG) activities, which includes current climate change-related activities.

OPTrust has defined our The Risk Appetite Statement (RAS) which:

1. Sets out OPTrust's general approach to risk
2. Identifies the key categories of risks relevant to OPTrust including those related to climate change
3. Specifies the level of risk OPTrust is willing to accept for each key risk category and
4. Establishes a framework for the effective management of risk at OPTrust.

The Board is accountable for approving the Risk Appetite Statement and monitoring its implementation by management. The Board has delegated overall responsibility for risk management to the Audit Finance and Risk

Committee (AFRC) and expects the AFRC to inform the other standing committees of any top risks in their areas of responsibility so that they can monitor them.

<b>SG 07.7 CC</b>	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
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The Chief Investment Officer (CIO) is responsible for overseeing the RI program which is in turn implemented by a dedicated RI Team.

The investment teams are responsible for adhering to OPTrust's Statement of Responsible Investing Principles (SRIP) and are held accountable for ESG-related risks that are taken, including risks associated to climate change.

The Responsible Investing Committee is the internal forum to share updated analysis and further understandings in terms of ESG integration and it is currently devoting significant efforts to climate change. It is chaired by the CIO and the Director RI serves as Vice-Chair. This committee is tasked with oversight of ESG issues determined to be relevant to OPTrust at the enterprise-wide level, governed by a Responsible Investing Committee Charter. The mandate of the RI Committee is to support the integration of ESG factors into investment and risk management practices through the development of processes, procedures and tools to assist investment groups in implementing the Statement of Responsible Investing Principles, and through awareness raising and education. The Charter defines the groups within OPTrust that must be represented in the committee, which in addition to the CIO and Director of RI, include representatives from investment teams, Investment Risk, Legal, Portfolio Construction, and Communications.

<b>SG 07.8 CC</b>	Explain how the organisation engages external investment managers on the TCFD recommendations and its implementation.
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- 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

<b>SG 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>SG 13.1</b>	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.).
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- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities

	Describe
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In 2018 we partnered with Ortec Finance to develop – in collaboration with leading academic researchers and pioneering clients – a pilot version of a forward-looking climate-savvy scenario set to map potential climate impacts on future risk and return.

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

<b>SG 13.2</b>	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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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
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<b>SG 13.4 CC</b>	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.
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- Initial assessment

	Describe
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The climate-savvy project in partnership with Ortec Finance integrated the well-respected climate models and financial models under one framework by linking scientific climate data to the asset-liability management (ALM) tooling, and explored a novel "top-down" approach to map potential climate impacts on the expected return and risk of various financial and real assets.

The project combined existing academic research on climate-related risks associated with several global warming pathways and mapped them to key macro-economic variables (namely growth rates per region) which drive the dynamics of other financial and economic variables as modelled in Ortec Finance's forward-looking scenario set. Three climate change pathways were modelled in the project: keeping global warming under 1.5°C (disorderly transition), warming up to 3°C in 2100 (current level of political ambition based on formal national strategies), and warming of 4+°C in 2100 (higher warming scenario with extreme events). Out of model adjustments' were implemented on top of the climate shocks from the data providers in order to explore key climate risks that were not captured in those datasets. OPTrusts' portfolios were tested using the new climate-savvy financial scenario sets and for the first time, climate impact on the portfolios were evaluated from the funded-status perspective.

- Incorporation into investment analysis
- Inform active ownership
- Other

<b>SG 13.5 CC</b>	Indicate who uses this analysis.
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- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

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

	Describe
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The climate-savvy project in partnership with Ortec Finance modelled climate scenarios on a 80-year horizon to the end of the century (2100), reflecting the long-term nature of climate change - physical risk in particular. Climate impacts can be assessed over any time period within the 80-year horizon.

No

<b>SG 13.7 CC</b>	Indicate whether a range of climate scenarios is used.
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- 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

<b>SG 13.8 CC</b>	Indicate the climate scenarios the organisation uses.
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<b>Provider</b>	<b>Scenario used</b>
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 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
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**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
- 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

other description

Reviewed the impact of climate change on our current and long-term portfolio based on four climate change scenarios.

- 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

	other description
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Engage companies to disclose their climate change-related risks and opportunities

None of the above

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

<b>SG 14 CC</b>	<b>Voluntary</b>	<b>Public</b>	<b>General</b>
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<b>SG 14.6 CC</b>	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
<b>Carbon intensity</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Carbon Emissions Performance Relative to Peers	0-10 scale	Carbon Emissions Performance Relative to Peers: represents the company's carbon emissions intensity relative to its peers on a 0-10 scale. 10 represents best-in-class performance, meaning the company has among the very lowest carbon intensity figures in the industry. A score of 5 represents emissions intensity in line with industry peers. A score of 0 represents worst-in-class performance, meaning the company has among the very highest carbon emissions intensity figures in the industry. Where actual emissions data is not available, the company is scored based on our carbon emissions estimation model.
<b>Exposure to carbon-related assets</b>	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	We develop a 'current state' assessment of climate-related risks to the total fund through measuring our exposure to industries and geographies that are at higher risk for climate change impacts.	% of AUM	Third party industry classification was used to assess OPTrust's total portfolio exposure to high medium and low intensity industries
<b>Other emissions metrics</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	(1)Carbon Emissions Score (2)Carbon Emissions Score Quartile	(1) Score: 0-10, 10 = best score (2) 1 represents the top quartile, 4 bottom quartile.	(1)Carbon Emissions Score: Relevant to those companies with significant carbon footprints. Companies that proactively invest in low-carbon technologies and increase the carbon efficiency of their facilities or score higher on this key issue. Companies that allow legal compliance to determine product strategy, focus exclusively on activities to influence policy setting, or rely heavily on exploiting differences in regulatory frameworks score lower. (2)Carbon Emissions Score Quartile: relative to companies in the relevant ESG Ratings Industry that are constituents of the MSCI ACWI.

**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

The integration of climate change into the overall risk management approach has been an instrumental pillar of OPTrust's approach to climate change.

The Board of Trustees approved the Risk Appetite Statement that sets out OPTrust's general approach to risk; identifies the key categories of risks affecting OPTrust; specifies the level of risk OPTrust is willing to accept for 10 key risk categories and establishes a framework for the effective management of risk at OPTrust. The risk categories are derived from the Enterprise Risk Management program. The External

Risk category encompasses changes in regulation, political risk and the social landscape which would encompass climate change related risk.

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

<b>SG 14.9 CC</b>	Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.
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- Yes

	Please describe
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OPTrust supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as the global standard to provide investors with the information required to assess the financial impact of climate change. As we endorse the TCFD, we are committed to reporting against the framework ourselves.

We support CDP non discloser campaigns and in 2017 we joined Ceres, the Asia Investor Group on Climate Change (AIGCC) and Climate Action 100+ .

Furthermore, we regularly discuss with our engagement service provider the strategy for coming periods. In consideration of its relevance, climate change has been defined as a priority area for engagement and reo will devote significant efforts to promote better management and disclosure of climate risks and opportunities among issuers.

External asset managers are required to disclose if the firm supports the recommendations of the TCFD, how they are planning to adopt the recommendations and if they are encouraging companies in the portfolio to engage and adopt this framework

- No, we do not engage

<b>SG 15</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>SG 15.1</b>	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes
- No