



# CLIMATE TRANSPARENCY REPORT

## 2019

Church of Sweden

# 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/-992C3BAC-8897-4CE8-A571-A8434D35854B/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C\\*complete\\*%7C\\*public\\*/Merged/](https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-992C3BAC-8897-4CE8-A571-A8434D35854B/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>	Church of Sweden
<b>Signatory Category</b>	Other, specify
<b>Signatory Type</b>	Asset Owner
<b>Size</b>	US\$ 0.1 - 0.99 billion AUM
<b>Main Asset Class</b>	>50% Listed Equity Externally Managed
<b>Signed PRI Initiative</b>	2008
<b>Region</b>	Europe
<b>Country</b>	Sweden
<b>Disclosure of Voluntary Indicators</b>	79% from 38 Voluntary indicators

Church of Sweden

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 type="checkbox"/> Asset class-specific RI guidelines <input 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.

Please take a look at our website. <https://www.svenskakyrkan.se/responsibleinvestment> . Our investment policy clearly states that we should contribute to sustainable value creation in the real economy. And we should avoid investments that we do not want to support such as tobacco, weapons and extraction of fossil fuels.

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.

Our holdings have low carbon risk and are more linked to solutions and opportunities. We also conducted a PACTA analysis that supports that view.

**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.

Our current portfolio has been, and is very low on carbon, and will be onwards, since our investment policy is clear on that.

No



<b>SG 01.9 CC</b>	Indicate whether the organisation publicly supports the TCFD?
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- Yes
- No

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

Describe
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We divested already in 2008-9 and have since then invested in climate solutions. We have a climate criterion in our investment policy.

- No

<b>SG 1.12 CC</b>	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

specify
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our policy is available on our website as well as climate related investments, also found in our yearly reports on sustainable investment

<b>SG 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 6</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 02.1</b>	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach

URL/Attachment
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- URL

URL
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{[hyperlink:https://www.svenskakyrkan.se/responsibleinvestment](https://www.svenskakyrkan.se/responsibleinvestment)}

- Attachment (will be made public)

Attachment

- Formalised guidelines on environmental factors

URL/Attachment

- URL

URL

{[hyperlink:https://www.svenskakyrkan.se/responsibleinvestment](https://www.svenskakyrkan.se/responsibleinvestment)}

- Attachment (will be made public)

- Formalised guidelines on social factors

URL/Attachment

- URL

URL

{[hyperlink:https://www.svenskakyrkan.se/responsibleinvestment](https://www.svenskakyrkan.se/responsibleinvestment)}

- Attachment (will be made public)

- Formalised guidelines on corporate governance factors

URL/Attachment

- URL

URL

{[hyperlink:https://www.svenskakyrkan.se/responsibleinvestment](https://www.svenskakyrkan.se/responsibleinvestment)}

- Attachment (will be made public)

- Screening / exclusions policy

URL/Attachment

- URL

URL

{[hyperlink:https://www.svenskakyrkan.se/responsibleinvestment](https://www.svenskakyrkan.se/responsibleinvestment)}

- 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.svenskakyrkan.se/responsibleinvestment}

Attachment

File Attachment

{hyperlink:Church of Sweden Financial Policy April 2017 final.pdf [573KB]}

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

URL/Attachment

URL

URL

{hyperlink:https://www.svenskakyrkan.se/responsibleinvestment}

Attachment

File Attachment

{hyperlink:Church of Sweden Financial Policy and RI Instructions 2017.pdf [528KB]}

Time horizon of your investment

URL/Attachment

URL

URL

{hyperlink:https://www.svenskakyrkan.se/responsibleinvestment}

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:https://www.svenskakyrkan.se/responsibleinvestment}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:https://www.svenskakyrkan.se/responsibleinvestment}

Attachment

Climate change

URL/Attachment

URL

URL

{hyperlink:https://www.svenskakyrkan.se/responsibleinvestment}

Attachment

We do not publicly disclose any investment policy components

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

All your questions in SG 02.3 are addressed in our financial policy and the investment instructions on RI. For instance, our financial policy for responsible investing also contains a guiding document on how to interpret the exclusionary criteria in detail, and our view on what a sustainable company could be. The policy describes our role as a responsible investor, with engagement as one important feature. In that sense, the engagement policy is integrated in the overall policy, just like the screening/ exclusions policy.

(I apologize for having sent only the policy last year and not the detailed investment guidelines, now enclosed.)

**Governance and human resources**

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

Yes, to assess future ESG factors

Yes, to assess future climate-related risks and opportunities

Describe

We made a PACTA analysis. It confirmed what we already knew, given the portfolio we have without many carbon risk holdings: No shipping, no aviation, no car manufacturers, and of course no coal, oil or natural gas. We have a few utilities focusing on renewable energy.

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
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- 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

<b>SG 13.3</b>	Additional information. [OPTIONAL]
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We divested in 2008-09 and have about 400 corporate related holdings with low-carbon profiles. A big part of our holdings are managed by Generation (AI Gore), so they are low carbon and even climate wise. We have also made various climate-related analyses over the years, always confirming what we we already know. We therefore do not see the need for a deeper scenario analysis.

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
- Incorporation into investment analysis

	Describe
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As I have explained, we are clear in our investment policy on how we look at climate-related risks and opportunities. We divested in 2008-9 and have since then invested in solutions.

- 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

**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

The Church is heavily engaged in climate change and its long-term effects on our planet and all living species. It is reflected in our 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 checked="" type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input checked="" type="checkbox"/> New Policy Scenario (NPS)
IEA	<input checked="" 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

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

	trillions	billions	millions	thousands	hundreds
Total AUM		8	000	000	000
Currency	SEK				
Assets in USD			890	749	181

Specify the framework or taxonomy used.

All AMs have to comply with our climate criteria as stated in our investment policy. Therefore, there are no companies in the fossil energy sector, and almost no heavy industry or energy utilities in our portfolio. We want to invest in climate solutions, so since 2008 we have had very low carbon footprints also for Scope 3.

- 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

other description

We discuss risks/opportunities with AMs, who integrate climate change and other ESG issues in processes and strategies.

- None of the above

<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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**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.

%

20

**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

% of AUM

5

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

% of AUM

6

- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Inclusive finance

#### Brief description and measures of investment

All our equity funds have this kind of holdings, so the figure is hard to estimate. One LE fund is entirely in energy efficiency and renewables, another is partially investing in environmental themes. We have a global green bonds fund and a fixed income fund for climate in frontier markets.

- Renewable energy
- Green buildings

#### Asset class invested

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

% of AUM

4

- Inclusive finance

#### Brief description and measures of investment

Swedish real estate with high ESG performance including energy efficiency, mostly offering rental apartments for people with lower incomes.

- Sustainable forestry
- Sustainable agriculture
- Microfinance

### Asset class invested

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

### % of AUM

5

### Brief description and measures of investment

We have some funds providing MFIs with loans. Another fund provides small sustainable banks with loans and equity. These banks lend to sustainable SMEs, so the impact has a higher leverage for the real economy.

We also have a credit fund for green SMEs, and a fund, mentioned above, investing in small sustainable banks lending to sustainable SMEs. Finally, we have a carbon credit/agriforestry fund, providing financial services to SMEs.

- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

No