



# CLIMATE TRANSPARENCY REPORT 2019

Bpf Bouw Stichting Bedrijfstakpensioenfonds voor de Bouwnijverheid

# 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/-FB061601-D956-4B33-BAEC-B743CBCEAF9/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C\\*complete\\*%7C\\*public\\*/Merged/](https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-FB061601-D956-4B33-BAEC-B743CBCEAF9/00000000-0000-0000-0000-000000000000/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>	Bpf Bouw Stichting Bedrijfstakpensioenfonds voor de Bouwnijverheid
<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\$ > 50 billion AUM
<b>Main Asset Class</b>	Multi-Asset
<b>Signed PRI Initiative</b>	2016
<b>Region</b>	Europe
<b>Country</b>	Netherlands
<b>Disclosure of Voluntary Indicators</b>	71% from 38 Voluntary indicators

# Bpf Bouw Stichting Bedrijfstakpensioenfondsvoor de Bouwnijverheid

## 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 checked="" 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 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 description (1)

See SG 01.4

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.

BpfBOUW wants to generate the returns necessary to meet (future) pension liabilities in a responsible, sustainable and transparent manner. Responsible Investment is integrated in the investment process, this is also one of our investment beliefs. We do this by investing worldwide, with a sufficient spread across various investment categories and sectors, fully integrating sustainability and governance aspects and criteria for corporate social responsibility in our investment decisions.

In our Responsible Investment Policy we defined three goals:

1. Improving financial return taking into account the risks
2. We have a corporate responsibility
3. Contribute to the integrity of financial markets

In order to connect with topics that stakeholders consider important, we have defined themes that receive extra emphasis when implementing our Responsible Investment Policy:

- Sustainable environment
- Safe working conditions
- Contribute to the energy transition
- Healthcare real estate in the Netherlands

### 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]

To further enhance ESG integration into our portfolio, we have developed a new policy: Inclusion. By the end of 2020 it is our aim to be mainly invested in companies that pay sufficient attention to sustainability and that behave in a responsible manner, or conduct engagement with all invested companies that do not live up to these standards yet. In support of this policy we developed a classification methodology to categorize companies as either laggards or leaders. We will use these classifications in investment decisions. In due course, lagging companies are only allowed to be included in the capital markets portfolio if we engage and there is sufficient potential for the company to improve. Our responsible investment report reports on the progress of this policy development.

Our exclusion policy in more detail: bpfBOUW prohibits its investors to invest in:

- Companies involved in products or services prohibited by Dutch or international law (e.g. companies involved in the production of antipersonnel (land)mines, cluster bombs, or chemical or biological weapons)
- Sovereign bonds issued by countries that are subject to an arms embargo by the UN Security Council.
- Companies involved in the production, distribution and sales of tobacco and tobacco related produce.
- Companies involved in the production, distribution and sales of nuclear weapons or dedicated parts thereof.
- Certain companies that are deemed to be in violation of the UNGC principles and have failed to enhance their practices following engagement.

Please find an update of all responsible investment 2020 targets below and in bpfBOUW's 2018 RI report.

A. Sustainable Living 2020 targets:

- Sustainable real estate: a minimum of € 8.5 billion invested (results for 2018: € 7.6 billion)



- A 4-star GRESB rating: 100% coverage for real estate investments in the Netherlands (for 2018: 94%) and 35% coverage for real estate investments abroad (for 2018: 41%).
- Green energy label (A, B, or C) for real estate in the Netherlands: 100% coverage by 2018 (for 2018: 98%) .
- Increase in rental residential housing middle segment: growth of 1000 houses (for 2018: + 756).

B. Safe working conditions

- Over 65% of construction sites registered as safe building site' in the Netherlands (for 2018: 47% / 20 sites).

C. Contribution to the energy transition

- CO2-footprint reduction for listed equity: -25% (for 2017: -26%) [TARGET ACHIEVED].
- Number of Dutch 'nul-op-de-meter' housing projects: 10 (for 2018: 3)
- Capacity solar panels for Dutch real estate assets: 9,500 kilowatt-peak (for 2018: 6,000 kilowatt-peak).
- Reduction energy use Dutch estate, annual decrease up until 4% in 2020 (for 2018: -0.65% vs 2017).

D. Real estate investment designated for healthcare facilities

- Total investment (with 60% reserved for middle segment): € 500 billion (for 2018: 183 mln)

Target on SDGs: Overall € 12 billion invested in assets that contribute to achieving the Sustainable Development Goals (for 2018: € 11.5 billion).

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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<b>SG 01.6 CC</b>	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.
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Our asset manager, APG, has used scenario analysis to explore plausible future developments up to 2040 in the economic sectors that are invested in. Both a 'business-as-usual' scenario and a '2-degrees' scenario is used.

From these scenarios, 44 climate factors were identified. These are the key drivers of climate-related risk and opportunity that may impact the economic sectors that we invest in, e.g. carbon pricing, extreme heat, decreasing oil demand, flooding, rise of renewable technologies. These climate factors are characterized in three buckets: "Policy & Regulation", "Technology, Market & Reputation" and "Physical Impact". For each sector, the most significant climate factors have been assessed, and how these may impact on growth and cost levels in the sector. This is done for 26 economic sectors covering roughly half of the portfolio, using the time horizons 2022 - 2030 - 2040.

<b>SG 01.7 CC</b>	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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Yes

**SG 01.8  
CC**

Indicate the associated timescales linked to these risks and opportunities.

The scenario analysis undertaken used time horizons 2022, 2030 and 2040.

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

The results of the climate scenario analysis have been captured in a traffic light model, which offers insight into the most pressing risks and opportunities in 2022, 2030 and 2040. This analysis will be conducted every two years to capture the latest developments into the scenarios. Next to that, a dashboard is developed with 25 indicators that together give insight into the speed of which the transition to a low-carbon economy is going. This dashboard will be updated every half year and will be available broadly within APG Asset Management. The two tools enable a high-level organization-wide view on the key climate related risks and opportunities in the portfolio, and the speed at which these may be manifested.

The portfolio managers and sector specialists of the various investment strategies are primarily responsible for managing of climate related risks and capturing opportunities, since at that level the specific knowledge is available on how climate change can impact investments. The organization-wide insights from the climate scenario analysis can raise points of attention and priorities for follow-up by the portfolio managers. Therefore, the portfolio managers are the so-called first line of defense within the risk management framework.

With the climate scenario analysis, APG has made steps to further integrate climate change also into the so-called second line of defense. The traffic light model and the dashboard are available for management teams and the risk management department of APG, as well as for bpfBOUW. In the coming years, work will be done to further integrate climate change into the second line of defense function.

Current mitigation measures include:

- Actively monitoring developments in policy, markets and technology through research, company meetings, trade fairs, conferences, in-situ visits, etc. For example, in 2018 a portfolio manager covering the Utilities sector went on a field trip to Germany to, amongst others, speak with politicians about the developments of the German Special Commission on growth, structural economic change and employment ("Coal Exit Committee"). This multi-stakeholder committee is advising the German government on the phase out of coal and lignite.
- Accounting for carbon pricing, reduced volumes of fossil fuels and other financial impacts in investment cases and CIP memos, e.g. a 15% annual reduction in coal transport for investments in US rail transport companies.
- In illiquid asset classes, an investment rationale focused on next-generation assets. Long-term risks are included in due diligence and subject to GRIG sign-off.
- Analysis of companies' transition strategies and capex plans, particularly in transition sectors such as oil& gas and automobiles.

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

Responsible Investment 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.bpfbouw.nl/over-bpfbouw/onze-organisatie/ons-beleid/ons-beleggingsbeleid.aspx](https://www.bpfbouw.nl/over-bpfbouw/onze-organisatie/ons-beleid/ons-beleggingsbeleid.aspx)}

- Attachment (will be made public)
- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors

URL/Attachment

- URL

URL

{hyperlink:https://www.bpfbouw.nl/images/Corporate\_Governance\_Raamwerk.pdf}

- Attachment (will be made public)
- Fiduciary (or equivalent) duties
- Asset class-specific RI guidelines
- Sector specific RI guidelines
- Screening / exclusions policy

URL/Attachment

- URL

URL

{hyperlink:https://www.bpfbouw.nl/images/bpfbouw-lijst-uitsluitingen.pdf}

- Attachment (will be made public)
- Engagement policy
- (Proxy) voting 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.bpfbouw.nl/images/Beleid\_Verantwoord\_Beleggen\_Stewardship.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

URL/Attachment

- URL

URL

{hyperlink:https://www.bpfbouw.nl/images/Beleid\_Verantwoord\_Beleggen\_Stewardship.pdf}

Attachment

Reporting

URL/Attachment

URL

URL

{hyperlink:https://www.bpfbouw.nl/images/Verslag\_verantwoord\_beleggen\_2017.pdf}

Attachment

Climate change

Understanding and incorporating client / beneficiary sustainability preferences

Other RI considerations, specify (1)

We do not publicly disclose any investment policy components

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

Please see the bpfBOUW Responsible Investment report for more information on all aspects of bpfBOUW's RI policy including sustainable development investments and protection of labor standards and human rights, etc. The 2018 RI report of bpfBOUW will be available in June 2019.

## Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
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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

	External managers or service providers
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Other role, specify (1)
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	Other description (1)
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**Executive Office**

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

<b>SG 07.6 CC</b>	For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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The Board of Trustees of bpfBOUW has reviewed the Responsible Investment policy in 2017 and paid special attention to climate risk in the process. As a result, the board has adopted concrete targets to reflect climate risks and opportunities such as the carbon reduction target for Listed Equity (managed by APG) and the Sustainable Developments Investments target for the overall portfolio (managed by both APG and Bouwinvest). In 2019, we will focus on climate risk and climate risk management.

<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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See question 13.4 for an elaborate discussion on climate change scenario analysis undertaken.

- 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

<b>SG 13 CC</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**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

Describe

In 2018, our asset manager APG, has mapped climate risks and opportunities in the portfolio by using scenario analysis. Both a 'business-as-usual' scenario and a '2-degrees' scenario has been used. On a sector level, the most significant climate factors have been assessed, and how these may impact on growth and cost levels in the sector. This is done for 26 economic sectors covering roughly half of the portfolio, using the time horizons 2022 - 2030 - 2040.

The image that arises from this analysis is that the effects of climate change are large and comprehensive in 2040. In the run-up to 2040, the transition is gradual for a global and diversified portfolio such as bpfBOUW's portfolio. However, the transition can be accompanied by disruptive changes and unexpected inflection points that we will have to monitor closely.

Before 2030, our asset manager sees major transitions already taking place in the 2-degree scenarios, with corresponding risks and opportunities, in particular for the following sectors: utilities, real estate, cement, oil & gas, aerospace, food and consumer goods, automotive, semi-conductors and electrical equipment, agriculture, chemicals and the construction sector.

Sectors that are especially vulnerable, but also show opportunities, for the physical impact of climate change are in particular: agriculture, forestry, real estate, oil & gas, food processing, road and rail transport, mining, utilities, health care, construction and water utilities.

- Incorporation into investment analysis

Describe

As part of the active, long-term approach to investing, portfolio managers of APG integrate climate factors into their investment processes, Some examples are: Accounting for carbon pricing, reduced volumes of fossil fuels and other financial impacts in investment cases, e.g. a 15% annual reduction in coal transport for investments in US rail transport companies.

- In illiquid asset classes, an investment rationale focused on next-generation assets. Long-term risks are included in due diligence and subject to sign-off by APG's GRIG team.
- Analysis of companies' transition strategies and capex plans, particularly in transition sectors such as oil& gas and automobiles.

Inform active ownership

Describe

For many years APG has been engaging on behalf of bpfBOUW with companies on climate change and the energy transition. The scenario analysis has highlighted climate related risks and opportunities in other sectors which are perhaps less obvious, such as food and agriculture. These insights will be used in our further engagement with companies and investments on the impacts of climate change.

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

Depending on the specific investment strategy, the time horizon of the investment is shorter than the time horizon used in the scenario analysis (up until 2040)

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 type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)
IEA	<input checked="" type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario
IEA	<input checked="" type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input type="checkbox"/> New Policy Scenario (NPS)
IEA	<input 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 checked="" type="checkbox"/> Representative Concentration Pathway (RCP) 8.5
IPCC	<input type="checkbox"/> RPC 6
IPCC	<input checked="" 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 description (1)

political action and global collaboration

- 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		12	000	000	000
Currency	EUR				
Assets in USD		13	690	717	581

Specify the framework or taxonomy used.

Sustainable Development Taxonomy of APG Asset Management. The above figure concerns targets to be met by both APG and Bouwinvest.

- 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

- Climate dashboard with 25 indicators indicating speed of the low-carbon transition
- 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.

BpfBOUW has signed the Montreal Pledge and as such we are committed to measuring publicly disclosing the carbon footprint of our investment portfolios on an annual basis.

BpfBOUW is committed to TCFD-style reporting and in the 2018 report we have done so.

Together with a group of other Dutch Financial Institutions (PCAF), our manager has contributed to writing a report about approaches to carbon footprinting in various asset classes. The way we calculate our carbon footprint for the Listed Equity portfolio is largely compatible with the PCAF report. This report is available via <http://www.carbonaccountingfinancials.com/>

**SG 14.5** Additional information [Optional]

Apart from the tools described in SG 14.3, our asset manager is tracking a set of 25 indicators to gain insight in the speed of the transition to a lower-carbon economy. Examples of indicators that are tracked are: oil and gas demand, investment in renewable energy, consumption of animal protein, number of EV's etc.

<b>SG 14 CC</b>	<b>Voluntary</b>	<b>Public</b>	<b>General</b>
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**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
<b>Climate-related targets</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To achieve desired exposure to sustainable development related opportunities	Exposure (NAV) to products/services that contribute to the Sustainable Development Goals	The total NAV of investments in products/services that contribute to the UN SDGs.
<b>Portfolio carbon footprint</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Achieve reduction of carbon footprint (is taken into account in investment decision)	Reduction of 25% in Absolute emissions / Normalized Invested Value	The absolute carbon footprint is defined as the share (equity stake) of bpfBOUW in the scope 1+2 emissions of the companies in which is invested. The denominator is invested value. Corrections to the denominator are made to avoid the impact of large changes in the market value of the portfolio as well as decisions from our side on asset allocation.

<b>SG 14.7 CC</b>	Describe in further detail the key targets.
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Targettype	Time Frame	Description	Attachments
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	2020	2015	
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	2020	2015	
<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			

<b>SG 14.8 CC</b>	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.
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Ⓞ Process for climate-related risks is integrated into overall risk management

	Please describe
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The portfolio managers and sector specialists of the various investment strategies managed by our asset manager APG are primarily responsible for managing of climate related risks and capturing opportunities, as there the specific knowledge is available on how climate change can impact investments. As part of the investment analysis and risk management, climate change risks are addressed in the short, medium and long term. APG's GRIG team has a coordinating role, including dedicated resources and managerial responsibility to further the climate change agenda across the organization, as part of the company-wide strategy AM2020. The insights from climate scenarios can raise points of attention and priorities for further analysis. Therefore, the portfolio managers are the so-called first line of defence within the risk management framework.

With the climate scenario analysis, APG has made steps to further integrate climate change also into the so-called second line of defence. The traffic light model and the dashboard are available for management teams and the risk management department of APG, as well as to bpfBOUW. In the coming years, work will be done to further integrate climate change into the second line of defence function.

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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APG is in active dialogue with companies around TCFD adoption on behalf of bpfBOUW. We do this amongst others in the collaborative Climate 100+ engagement. In 2018, we have been able to achieve success in our dialogue with Shell, and the company will make their long-term carbon footprint reduction ambitions more concrete by setting short/medium term targets and including these in executive compensation. In 2018 we also achieved in our dialogue with Nestlé that the company committed to TCFD reporting.

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

<b>SG 15.2</b>	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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	%
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20

<b>SG 15.3</b>	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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#### Area

- Energy efficiency / Clean technology
- Renewable 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

75

- Infrastructure
- Commodities
- Other (1)

#### Brief description and measures of investment

Our real estate investment manager considers Real Estate investments with a 4 & 5 star rating in the GRESB model as Green building portfolios/investments.

- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing

#### 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

18

- Infrastructure
- Commodities
- Other (1)

Brief description and measures of investment

BpfBOUW has established a target on investing in the mid-segment of the rental market.

- Education
- Global health
- Water
- Other area, specify

Dutch Healthcare real estate

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

2

- Infrastructure
- Commodities
- Other (1)

Brief description and measures of investment

We have established a target to invest 500 million in Dutch Healthcare real estate in 2020

No