



CLIMATE TRANSPARENCY REPORT 2019

BlueOrchard Finance

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/-7BFDB045-49DB-4CD0-9F3E-7FB062F75A6F/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	-	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	-	Public				
SG 07.7 CC	-	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	-	Public				
SG 13.5 CC	-	Public				
SG 13.6 CC	-	Public				
SG 13.7 CC	-	Public				
SG 13.8 CC	-	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	-	Public				
SG 14.5	-	Public				
SG 14.6 CC	-	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	BlueOrchard Finance
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 1 - 4.99 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2008
Region	Europe
Country	Switzerland
Disclosure of Voluntary Indicators	12% from 38 Voluntary indicators

BlueOrchard Finance

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> 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.

BlueOrchard's mission is to foster inclusive growth and shared prosperity by empowering low income individuals and households across the emerging world. Our funds pursue a long-term investment strategy that provides liquidity and diversification to investors while targeting stable financial returns and positive social return objectives.

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]

BlueOrchard, as an impact investment manager, has responsible investment and ESG principles at the core of its investment activities. Our investment principles incorporate the concept of a double bottom line approach for all investments. As such, investment policies clearly outline the procedures for evaluating prospective investments, and monitoring current investments, with respect to both financial and ESG factors. In addition, specific tools have been created for both financial and ESG assessments.

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.

BlueOrchard manages the InsuResilience Investment Fund (IIF), which aims to contribute to the adaptation to climate change by improving access to, and use of, climate insurance in developing countries. IIF has been set up by KfW Development Bank on behalf of the Federal Republic of Germany, represented by the Federal Ministry for Economic Cooperation and Development (BMZ). The Fund forms part of the G7 InsuResilience Initiative which aims to increase climate insurance coverage of the poor and vulnerable.

The mandate aims specifically at:

- Facilitating the adaptation to climate change by improving access to and use of climate insurance solutions in developing countries
- Improving the resilience of poor and vulnerable households as well as micro, small and medium enterprises (MSME) to weather events.
- Financing of qualified companies along the value chain of insurance (e.g. insurers, brokers, aggregators) with main operations in Official Development Assistance (ODA) recipient countries

**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.

IIF is one of the contributors to the G7 Climate Risk Insurance Initiative and its investment objectives timeline is aligned to the one of the initiative, namely all objectives have to be reached by 2020 (for more information please see: <https://www.insureilience.org/about/>)

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

No

**SG 1.12
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

Public PRI Climate Transparency Report

Annual financial filings

Regular client reporting

Member communications

Other

SG 02

Mandatory

Public

Core Assessed

PRI 6

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

Policy setting out your overall approach

URL/Attachment

URL

URL

{[hyperlink:http://www.blueorchard.com/](http://www.blueorchard.com/)}

- Attachment (will be made public)
- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- Asset class-specific RI guidelines
- Sector specific RI guidelines
- Screening / exclusions policy
- We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

- URL

URL

{[hyperlink:http://www.blueorchard.com/impact-investing/](http://www.blueorchard.com/impact-investing/)}

- Attachment
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- Active ownership approaches
- Reporting
- We do not publicly disclose any investment policy components

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.

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

Investor relations

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

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

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

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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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

	Describe
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We perform scenario analysis including ESG factors and future trends as part of our project finance investment process.

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

ESG issues are taken into account for all investments, which must all meet a minimum threshold to be considered eligible investments in our funds.

- We do not consider ESG issues in strategic asset allocation

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.
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- 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
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- 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.
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	trillions	billions	millions	thousands	hundreds
Total AUM			100	000	000
Currency	USD				
Assets in USD			100	000	000

Specify the framework or taxonomy used.

The BlueOrchard investment fund supporting climate resilient solutions for the poor and vulnerable is part of the G7 Climate Risk Insurance Initiative. For more information please visit: <https://www.insuresilience.org/about/>

- 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

improve the resilience of poor and vulnerable households as well as MSMEs to weather events and natural disasters by financing affordable climate insurance products

- None of the above

SG 14 CC

Voluntary

Public

General

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

SG 14.9
CC Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.

- Yes
- No, we do not engage

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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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.

%

100

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
- Renewable energy
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance

Asset class invested

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

% of AUM

100

- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Inclusive finance

% of AUM

100

- Cash
- Other (1)

Brief description and measures of investment

These investments include loans made to financial institutions that provide credit and other financial products and services to clients that are traditionally excluded from financial services and products. Loans are typically for productive purposes (businesses in various sectors) and average loan sizes are small (~USD 1,000 - USD 15,000)

- SME financing

Asset class invested

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

% of AUM

100

- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Inclusive finance

% of AUM

100

- Cash
- Other (1)

Brief description and measures of investment

These investment includes loans made to financial institutions that provide credit and other financial products to small and medium sized businesses. Loan sizes to such businesses are typically in the range of USD 15,000 - USD 250,000

- Social enterprise / community investing
- Affordable housing

Asset class invested

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

% of AUM

100

- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Inclusive finance

% of AUM

100

- Cash
- Other (1)

Brief description and measures of investment

Investments are made to inclusive finance institutions that have specific products for housing for low income groups

- Education

Asset class invested

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

% of AUM

100

- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Inclusive finance
- Cash
- Other (1)

Brief description and measures of investment

Investments are made in inclusive finance institutions that have specific education loans offered to clients (this includes loans to schools or other educational institutions directly, loans to students, loans to the parents of students for educational purposes etc..)

- Global health
- Water
- Other area, specify

Climate Insurance

Asset class invested

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

% of AUM

62

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

% of AUM

38

- Inclusive finance
- Cash
- Other (1)

Brief description and measures of investment

Investments comprise:

for Fixed Income, loans made to inclusive finance institutions that also provide climate insurance and/or other products and services to their clients that specifically aim to mitigate climate related risks.

for Private equity: equity stakes in companies that are involved in the development and provision of risk management and/or insurance products to help clients mitigate climate related risks.

No