



CLIMATE TRANSPARENCY REPORT 2020

Insight Investment

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 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-CB0AD2AC-92E9-48D3-8F28-D26804D23737/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). 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 2020 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 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	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 14.6 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	Insight Investment
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ > 50 billion AUM
Main Asset Class	>50% 'Other' Internally Managed
Signed PRI Initiative	2006
Region	Europe
Country	United Kingdom
Disclosure of Voluntary Indicators	36% from 38 Voluntary indicators

Insight Investment

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
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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.
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SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC	Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.
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Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.
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Climate-related risks associated with issuers in which we invest form an inherent part of our ESG ratings methodology. ESG ratings are available to all portfolio managers via systems and are integrated across all of our asset classes as part of the investment process. Alongside this, the portfolio management system also contains certain carbon data points on companies, including the carbon reserves and the carbon intensity of the individual issuers in which we invest, enabling all our portfolios managers to access this information should they need to implement more stringent carbon restrictions on portfolios.

Separate to this, we have developed our own Climate Risk Index (CRI), which is aligned with the Task Force for Climate related Financial Disclosures (TCFD), more detailed information on which can be found below. The CRI generates a score for how 'risky' an issuer is from a climate risk perspective and has historically been used to inform engagement decisions. To continue enhancing our approach, on an ongoing basis we review the CRI model and recently updated it in 2019 to ensure it takes account of industry developments. As part of a broader review of the model, we are currently exploring how physical risks could be better incorporated into the generated risk score. Coverage of issuers will vary based upon the asset class, credit rating or structure of the company and therefore we also aim to tackle this by encouraging issuers to disclose carbon-related data and targets. For issuers with missing data, we use our internal ESG questionnaire, which incorporates climate-related and environmental queries, to produce an overall rating for the issuers.

All of our climate-related data can be applied across our strategies, but will be subject to coverage of issuers based on our external and internal data sources.

No

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

Our CRI is what we believe to be the investment industry's first climate risk index (launched in 2017) for corporate debt. It ranks c.1,900 issuers according to how they manage climate change-related risks and is aligned with the framework developed by the TCFD. The Index is designed to provide a comprehensive ranking of how fixed income corporate credit issuers manage their climate change-related risks and opportunities, and how they are positioning themselves for the transition to a low-carbon economy. We have designed the Index to be used to assess risks and opportunities related to climate change.

- It provides a wide-ranging assessment of how nearly 1,900 corporate fixed income issuers - investment grade and high yield - are managing the risks and opportunities presented by climate change.
- It aims to help manage risk, accounting for the risk characteristics of specific sectors and for the carbon impact of individual issuers. It aims to help investors identify the issuers most at risk from a transition to a low-carbon world. It also allows investors to identify issuers that are managing these risks effectively and those that are not.
- It helps users monitor risks in line with TCFD guidelines. The index framework and methodology are aligned with the requirements of the TCFD, with companies assessed against objectively assessable indicators across the four TCFD themes: governance, strategy, risk management, and metrics and targets.
- It is based on independent data sourced from the Carbon Disclosure Project (CDP), MSCI ESG Research (MSCI) and Bloomberg.

As outlined above, we currently use this Index to inform engagement processes, as well as actively considering how it can be more fully integrated into our core investment process. As part of ongoing improvements, Insight is working on enhancing the Climate Risk Index in 2020 to extend how we consider physical risks and climate-related financial impacts.

We are also considering including other data sources such as Science Based Targets data and Transition Pathway Initiative data within the model.

How Insight uses the model

At Insight, we use the model in a number of different ways, making it an integral part of our investment practices and processes:

- To highlight companies to consider for engagement: engagement or active ownership is an integral part of our investment process, and we use the model to prioritise companies for engagement on environmental factors. We focus on the issuers in which we have, or intend to have, credit exposure. Among these issuers, we focus on those where we have strong relationships or in situations where we can work in collaboration with other investors or stakeholders - as we believe we are most likely to instigate change through such engagement. This helps to ensure that our engagement is more likely to have a significant impact.
- To inform our credit analysis: Insight's credit analysts have incorporated environmental risks into credit analysis for over a decade. Our process involves using third-party analysis, including research and ratings, to identify companies potentially showing elevated risk levels.

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.9
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

 Yes**Describe**

Insight supports a number of organisational climate change and ESG-related investor initiatives to continue to encourage best practice in the wider industry and to engage with issuers; this forms a key part of our investment process. Insight currently supports and participates in the following:

- UK Stewardship Code, since 2012 (Tier 1)
- CDP carbon action initiative, since 2003
- CDP water programme, since 2003
- CDP forests programme, since 2003
- Institutional Investors Group on Climate Change (IIGCC), since 2003
- UK Sustainable Investment and Finance Association, since 2007
- IASB Investors in Financial Reporting Programme, since 2015
- Climate Action 100+, since 2017
- Task Force on Climate-related Financial Disclosures (TCFD), since 2018
- International Capital Market Association - Green Bond Principles, since 2019
- PRI Investor Expectations Statement on Deforestation and Forest Fires in the Amazon, since 2019
- Global Investor Statement on Climate Change, since 2019
- PRI Investor Expectations Statement on Climate Change for Airlines and Aerospace Companies, since 2019
- United Nations Climate Change Conference, COP 21 Paris Pledge for Action
- IIGCC Paris-aligned portfolios

Through these initiatives, we have built up a strong internal and external awareness of climate change-related best practice and have continued to help drive change through collaborative engagement and inclusion of external data to enhance our assessment of investments. At Insight, working with external groups supports us in enhancing our ESG and credit teams' knowledge; this is then applied as part of our research process and ESG strategies.

Additionally, as outlined, climate-related risks associated with issuers in which we invest form an inherent part of our ESG ratings methodology. ESG ratings are available to all portfolio managers via systems and are integrated across all of our asset classes as part of the investment process. Alongside this, the portfolio management system also contains certain carbon data points on companies, including the carbon reserves and the carbon intensity of the individual issuers in which we invest, enabling all our portfolios managers to access this information should they need to implement more stringent carbon restrictions on portfolios.

 No**SG 1.10
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

We disclose our process and further details on our proprietary environmental risk measurement ratings. This includes detail on our climate risk framework.

We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC	Mandatory to Report Voluntary to Disclose	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

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

Other role, specify (1)

ESG Business Group

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

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities

Describe

As outlined, Climate-related risks associated with issuers in which we invest form an inherent part of our ESG ratings methodology. Additionally, we have developed our own Climate Risk Index (CRI), which is aligned with the Task Force for Climate related Financial Disclosures (TCFD).

- No, our organisation does not currently carry out scenario analysis and/or modelling

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

For sovereign and corporate ESG portfolios, where appropriate, ESG ratings can be used to strategically allocate towards the better (higher) rated issuers.

- We do not consider ESG issues in strategic asset allocation

SG 13 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 13.4 CC

Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

- Initial assessment
- Incorporation into investment analysis

Describe

Insight uses its climate risk model to assess climate change-related risks and opportunities. As outlined, we have developed our own Climate Risk Index (CRI), which is aligned with the Task Force on Climate-related Financial Disclosures (TCFD). We believe our CRI was the investment industry's first climate risk index (launched in 2017) for corporate debt. The index is designed to provide a comprehensive ranking of how fixed income corporate credit issuers manage their climate change-related risks and opportunities, and how they are positioning themselves for the transition to a low-carbon economy.

For further information please see our climate risk model overview on our website at the following address:
<https://www.insightinvestment.com/globalassets/documents/recent-thinking/uk-2019-climate-risk-index.pdf>

Inform active ownership

Describe

Insight uses its climate risk model to engage with the lowest (worst) scoring companies to encourage them to improve their business practices.

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

specify

Credit analysts

**SG 13.6
CC**

Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

Yes

Describe

Insight uses its climate risk model to assess climate change-related risks and opportunities.

For further information please see our climate risk model overview on our website at the following address:
<https://www.insightinvestment.com/globalassets/documents/recent-thinking/uk-2019-climate-risk-index.pdf>

No

**SG 13.7
CC**

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

**SG 13.8
CC**

Indicate the climate scenarios your organisation uses.

Provider	Scenario used	
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 checked="" type="checkbox"/> Other (1)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (1) please specify:</div> Paris-aligned temperature analysis indicator
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			500	000	000
Currency	EUR				
Assets in USD			551	150	649

Specify the framework or taxonomy used.

Relates to sustainability criteria such as impact bonds and climate/impact guidelines.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14 CC	Voluntary	Public		General
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SG 14.6 CC	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	For corporate fixed income portfolios	Insight's Climate Risk Index model	
Weighted average carbon intensity	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	For corporate fixed income portfolios, we can provide weighted-average carbon intensity.	CO2 emissions over revenue	
Carbon footprint (scope 1 and 2)	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	For corporate fixed income portfolios, we can provide weighted-average carbon intensity.	CO2 emissions over revenue	
Portfolio carbon footprint	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	For corporate fixed income portfolios, we can provide weighted-average carbon intensity.	CO2 emissions over revenue	
Total carbon emissions	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	For corporate fixed income portfolios, we can provide weighted-average carbon intensity.	Scope 1 and 2	
Carbon intensity	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	For corporate fixed income portfolios, we can provide weighted-average carbon intensity.	Scope 1 and 2	
Exposure to carbon-related assets	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	For corporate fixed income portfolios, we can provide weighted-average carbon intensity.	Carbon intensity	
Other emissions metrics	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			

SG 14.7
CC

Describe in further detail the key targets.

Targettype	Baseline year	Target year	Description	Attachments
<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				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				

SG 14.8 CC Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

- Processes for climate-related risks are integrated into overall risk management

Please describe

Within certain fixed income investment teams, Insight uses its climate risk model and fundamental analysis to assess environment risks at the issuer level. We also engage with issuers where material climate change-related risks are identified.

- Processes for climate-related risks are not integrated into overall risk management

SG 14.9 CC Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

- Yes

Please describe

Insight communicated the importance of the TCFD initiative to our parent company, BNY Mellon.

- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

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.

0.5 %

0.5

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

All the above categories are captured within our internal impact rating methodology.

Asset class invested

- Listed equity
- Fixed income - SSA

Percentage of AUM (+/-5%) per asset class invested in the area

20

- Fixed income - Corporate (financial)

Percentage of AUM (+/-5%) per asset class invested in the area

40

- Fixed income - Corporate (non-financial)

Percentage of AUM (+/-5%) per asset class invested in the area

40

- Fixed income - Securitised
- Farmland
- Other (1)

In 2019, Insight added more green bonds to client portfolios.

No