



CLIMATE TRANSPARENCY REPORT 2020

Achmea Investment Management

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/-A4BD66F2-2365-423D-93E0-85548DB70CEE/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	✓	Private				
SG 07.6 CC	-	Private				
SG 07.7 CC	✓	Private				
SG 07.8 CC	✓	Private				
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	✓	Private				
SG 14.7 CC	-	Private				
SG 14.8 CC	✓	Private				
SG 14.9 CC	✓	Private				
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	Achmea Investment Management
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ > 50 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2007
Region	Europe
Country	Netherlands
Disclosure of Voluntary Indicators	78% from 38 Voluntary indicators

Achmea Investment Management

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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1. Transition risks and opportunities exist in uncertainty resulting from tightening regulation and technology development and deployment. Both the mitigation of risk and the opportunities are addressed across various strategies and products for BSM. Climate policy and tightening regulation is already having an impact on sectors today (power, cars, etc) but technology risk related to ie commercial use of CCS and fleet electrification could take longer before impacting portfolio holdings.

ESG integration: The integration of ESG data points in the investment process enable us to optimise portfolios for lower risk, increase exposure to issuers that are better managing climate change and better prepared. (Equities, credits). In addition, we are actively steering the portfolio to reduce the carbon footprint.

Exclusion policy: a general fossil fuels policy is under development, thermal coal and tar sands are excluded from portfolios already (EQ, CRED, Developed markets only)

Engagement: We apply a thematic approach towards engaging with companies in the sectors that are potentially impacted most. We group our current engagements related to climate as: Water risk in utilities, Climate and transport, Industrial energy efficiency, Dialog climate transition and Reduction coal exposure. In addition, we are members and active contributors to Climate Action 100+ and actively supporting other collective engagements and investor statements. During engagements we pursue a better understanding of risk, share our clients views on climate and discuss best practices that we see in the market. (EQ, CRED). For our normative engagements environment is the third theme of the Global compact and it is addressed in principles 7, 8 and 9. These principles are linked to and elaborated in various guidelines and treaties. ISS ESG takes these guidelines and treaties into account when screening companies for possible violations of environmental standards.

Voting: Within its responsibility investment policy Achmea IM focuses on the following five themes: human rights, labour rights, health, climate change and the environment. Special attention is given to each individual shareholder proposal (Chapter 6 ESG-related proposals) related to any of these themes that are often related to Environmental, Social, and Governance (ESG) factors.

2. Physical risks exist in increasing frequency and intensity of extreme weather events and chronic changes in climate. These often result in water related issues: droughts and floods. Business interruptions and damage repair costs potentially translate to loss of shareholder value. Extreme weather events are likely to increase in frequency and intensity and potentially highly interruptive in developing markets.

No

**SG 01.7
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

Engagement: We apply a thematic approach towards engaging with companies in the sectors that are potentially impacted most. Our engagement Water risk in utilities and Water risk in supply chains are examples of discussions with companies about assessing risks in their own operations and supply chains to oversee potential damage resulting from climate change and taking measures to adapt. (EQ, CRED)

Impact investment: dedicated investments in green bonds contribute to mitigating physical climate risks (CRED)

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

Explain the rationale

No, However, Achmea has assessed the information to be reported according to the TCFD and is preparing to include additional disclosures in its external reporting based on the TCFD requirements. Based on the assessment Achmea has performed related to the disclosures required by the TCFD, Achmea will decide which (kind of) documents will be used for disclosing.

**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

ESG integration: The integration of ESG data points in the investment process enable us to optimise portfolios for lower risk, increase exposure to issuers that are better managing climate change and better prepared. (Equities, credits). In addition, we are actively steering the portfolio to reduce the carbon footprint.

Exclusion policy: a general fossil fuels policy is under development, thermal coal and tar sands are excluded from portfolios already (EQ, CRED, Developed markets only)

Engagement: We apply a thematic approach towards engaging with companies in the sectors that are potentially impacted most. We group our current engagements related to climate as: Water risk in utilities, Climate and transport, Industrial energy efficiency, Dialog climate transition and Reduction coal exposure. In addition, we are members and active contributors to Climate Action 100+ and actively supporting other collective engagements and investor statements. During engagements we pursue a better understanding of risk, share our clients views on climate and discuss best practices that we see in the market. (EQ, CRED). For our normative engagements environment is the third theme of the Global compact and it is addressed in principles 7, 8 and 9. These principles are linked to and elaborated in various guidelines and treaties. ISS ESG takes these guidelines and treaties into account when screening companies for possible violations of environmental standards.

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
- We currently do not publish TCFD disclosures

Governance and human resources

ESG issues in asset allocation

SG 13

Mandatory

Public

Descriptive

PRI 1

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

With the ALM and portfolio construction studies we make use of crisis scenario's. Our climate crisis scenario describes a situation in which a combination of physical and transition risks will lead to a shock in the economy and in the financial markets in the short term.

- 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
- We do not consider ESG issues in strategic asset allocation

SG 13 CC

Mandatory to Report Voluntary to Disclose

Public

Descriptive

General

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

Describe

Our climate crisis scenario serves as an analysis tool to inform our customers about short-term climate risks. It offers well-founded initial insights and is the starting point for further discussion.

- Incorporation into investment analysis
- Inform active ownership

Describe

Based on the results of the Paris Agreement Capital Transition Assessment (PACTA) tool developed by 2 degrees investing initiative, potential opportunities for the engagement program are identified.

- 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

Our pension fund clients

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
- No

Please explain the rationale

The focus was mainly on developing the climate crisis scenario, further expanding the analyzes is another action point.

**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 checked="" type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input type="checkbox"/> New Policy Scenario (NPS)
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)
IRENA	<input type="checkbox"/> RE Map
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)
Bloomberg	<input type="checkbox"/> BNEF reference scenario
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5
IPCC	<input type="checkbox"/> RPC 6
IPCC	<input type="checkbox"/> RPC 4.5
IPCC	<input type="checkbox"/> RPC 2.6
Other	<input type="checkbox"/> Other (1)
Other	<input type="checkbox"/> Other (2)
Other	<input type="checkbox"/> Other (3)

SG 14

Mandatory to Report Voluntary to Disclose

Public

Additional Assessed

PRI 1

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			74	424	988
Currency	EUR				
Assets in USD			82	038	761

Specify the framework or taxonomy used.

Achmea Investment Management uses its own independent framework in order to determine that that the proceeds of green bonds are actually used for green projects. This framework is derived from the international guidelines Green Bond Principles and the Climate Bonds taxonomy of the Climate Bonds Initiative.

The Green Bond Principles oversee the process by which green bonds are brought to the market and include:

- Principles on the use of the capital raised
- Principles surrounding the project appraisal and selection process
- Principles for the management of raised capital
- Reporting principles

In our analysis very specific attention is paid to gaining insight into how does the green bond fit within the context of the issuer's overarching objectives, strategy or policy and what does the issuer strive to achieve (what is the context) and does this make sense?

The taxonomy of the Climate Bonds Initiative serves as a framework for assessing funded projects and must contribute to confidence that the projects financed with the proceeds have a demonstrable positive impact on the environment or climate.

- 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 15

Mandatory to Report Voluntary to Disclose

Public

Descriptive

PRI 1

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.

%

1

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

Achmea IM manages a dedicated green bond fund.

Asset class invested

- Listed equity
- Fixed income - SSA

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

1

- Fixed income - Corporate (financial)

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

1

- Fixed income - Corporate (non-financial)

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

1

- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Commodities
- Hedge funds

Achmea IM Euro Green Bond Fund. The fund invests globally primarily in high-quality green government and corporate bonds, hereinafter referred to as Green Bonds, primarily denominated in euros. Achmea IM assesses the quality of the green bond framework of the issuing institutions before actually investing in the green bond. This is an additional guarantee that relatively high-quality green bonds are included in the portfolio.

No