



CLIMATE TRANSPARENCY REPORT

2019

TPT Retirement Solutions

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/-8725FFA5-760F-4B8F-9FB0-98321ECD045F/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	TPT Retirement Solutions
Signatory Category	Corporate pension or superannuation or retirement or provident fund or plan
Signatory Type	Asset Owner
Size	US\$ 10 - 29.99 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2010
Region	Europe
Country	United Kingdom
Disclosure of Voluntary Indicators	100% from 38 Voluntary indicators

TPT Retirement Solutions

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 type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input 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 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.

TPT's Investment Beliefs are as below:

- 1) Assets are held to pay benefits and should be invested taking account of the characteristics of these benefits
- 2) Risk should only be tolerated to the extent that the Trustee has confidence that the covenant of sponsoring employer(s) is sufficient to meet potential adverse consequences.
- 3) Asset allocation is a more important determinant of returns than manager or stock selection.
- 4) The potential to achieve a higher investment return requires taking higher risk (uncertainty in future returns).
- 5) Diversification of risk assets, both within and across asset classes, reduces the variability of returns, both in absolute terms and relative to liabilities.
- 6) The real world is complex; judgement and qualitative research are important alongside quantitative analysis.
- 7) Illiquid assets, that provide sufficient reward to compensate for illiquidity, may be suitable investments. Sufficient liquidity to meet payments, including in stress scenarios, should be maintained.
- 8) Market opportunities to deliver returns in excess of an index may exist.
- 9) Good governance improves the quality of investment decision-making. Transparency is an important enabler for good governance.
- 10) Responsible investment helps identify and mitigate risks. Responsible investment may also enhance portfolio returns.

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]

Making the Distinction - Responsible Investment is different to Ethical Investment. Responsible Investment aims to identify financially materially ESG factors rather than seeking to exclude companies or sector based on moral and/or ethical beliefs. It is a set of top down policies that provide additional guidance to our investment decision making and oversight. Of course, ethical investment builds on the foundation that our Responsible Investment approach provides, but adopts a negative screening with an accepted sacrifice on performance.

TPT recognises that its charitable employers may want to align their investments with certain moral beliefs (largely as an exercise in reputational risk management) and has ethical solutions for employers on both the Defined Benefit (DB) and Defined Contribution (DC) side, however our core belief remains that positive

engagement with companies remains the best way to gain positive outcomes.

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.
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We factor climate-related risks and opportunities into our investment strategy.

The Investment Committee (IC) has formalised a set of principles to guide portfolio construction. These principles include the intention to reduce exposure to equities and to take more illiquidity risk. The principles are based on achieving the IC's risk return objectives and were also informed by its analysis of external risks and the findings of Mercer's climate change portfolio analysis. In particular, the climate scenario analysis suggests:

- The intention to reduce reliance on equity markets should reduce climate risk in the portfolio (subject to sector allocations)
- The intention to increase illiquidity and exposure to real assets may protect against 'existential risks' and help identify additional sources of return.

The key findings from the portfolio analysis mean that we prioritise the following objectives as part of our commitment to manage the risks and opportunities related to climate change:

1. Continue to monitor and manage climate risk equities
2. Try to quantify climate risk in alternatives
3. Identify & allocate to sustainable investments

The CIO and Investment Team are responsible for implementing the investment strategy, with the day to day investment management activities out-sourced to third-party fund managers.

The CIO and IC are assisted in forming capital market and other investment views (including portfolio composition, manager selection and monitoring of investment managers) by TPT's Portfolio Construction Group. The focus of the group includes amongst many other things, climate related risks and opportunities as they relate to TPT's investments.

SG 01.7 CC	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.
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TPT focus on assessing risk with a medium-term horizon, typically around 10 years. It believes that this strikes a good balance between 'longer-term' impacts, and an actionable window. It uses longer time-horizons (10 years +) to consider material systematic risks via the use of scenario analysis. However, it believes these are harder to address through asset allocation in the immediate future.

No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?
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- 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.
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- Yes

Describe

As an asset owner, the most significant climate related risks and opportunities relate to the investments in the growth portfolio.

Two results stand out from a multi-asset portfolio assessment under a Two Degrees scenario analysis undertaken by Mercer.

1. **The negative impact on equities** - the analysis indicated a negative impact on developed market global equities under a two degrees scenario of 0.82% negative annual impact on returns over ten years which is potentially material.

2. **Enhanced returns in real assets** - The positive impact on returns from infrastructure and real estate, with potential additional returns of 0.76% p.a. and 0.45% p.a. respectively over 10 years to 2025.

- No

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

SG 02	Mandatory	Public	Core Assessed	PRI 6
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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.
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- Policy setting out your overall approach

URL/Attachment

- URL

URL

{[hyperlink:http://www.tpt.org.uk/docs/default-source/investments/responsible-investment/tpt-responsible-investment-policy](http://www.tpt.org.uk/docs/default-source/investments/responsible-investment/tpt-responsible-investment-policy)}

- Attachment (will be made public)
- Formalised guidelines on environmental factors
- Screening / exclusions policy

URL/Attachment

- URL

URL

{[hyperlink:http://www.tpt.org.uk/docs/default-source/investments/how-we-invest/policy-for-ethical-investments-2017](http://www.tpt.org.uk/docs/default-source/investments/how-we-invest/policy-for-ethical-investments-2017)}

- Attachment (will be made public)
- Engagement policy

URL/Attachment

- URL

URL

{[hyperlink:http://www.tpt.org.uk/docs/default-source/investments/responsible-investment/voting-and-engagement-policy.pdf?status=Temp&sfvrsn=0.27549496632774995](http://www.tpt.org.uk/docs/default-source/investments/responsible-investment/voting-and-engagement-policy.pdf?status=Temp&sfvrsn=0.27549496632774995)}

- Attachment (will be made public)
- (Proxy) voting policy

URL/Attachment

- URL

URL

{[hyperlink:http://www.tpt.org.uk/docs/default-source/investments/responsible-investment/voting-and-engagement-policy.pdf?status=Temp&sfvrsn=0.27549496632774995](http://www.tpt.org.uk/docs/default-source/investments/responsible-investment/voting-and-engagement-policy.pdf?status=Temp&sfvrsn=0.27549496632774995)}

- Attachment (will be made public)
- We do not publicly disclose our investment policy documents

SG 02.2

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

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:<http://www.tpt.org.uk/docs/default-source/investments/responsible-investment/tpt-responsible-investment-policy>}

Attachment

- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change

URL/Attachment

URL

URL

{hyperlink:<http://www.tpt.org.uk/docs/default-source/investments/responsible-investment/tpt-responsible-investment-policy>}

Attachment

- We do not publicly disclose any investment policy components

SG 02.3 Additional information [Optional].

TPT's Statement of Investment Principles

<https://www.tpt.org.uk/docs/default-source/investments/tpt-our-statement-of-investment-principles.pdf?sfvrsn=16>

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

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

	Investment analysts
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- 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

SG 07.6 CC	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 Trustee of TPT's pension schemes, Verity Trustee Ltd, delegates responsibility for setting the investment strategy to a Funding Committee (FC) and Investment Committee (IC). The FC determines the appropriate proportion of funds to be held in growth and liability assets whilst the IC agrees the composition and performance of the growth portfolio. The CIO and Investment Team are responsible for implementing the investment strategy with day-to-day investment decisions made and by external fund managers.

The guidelines which govern these delegations are set out in The Trustee's Statement of Investment Principles. Within the Statement of Investment Principles, TPT also sets out its intention to act as a 'responsible' asset owner and market participant across all markets and asset classes and in particular it refers to the Climate Change Policy as a strategic part of its approach. The Trustee has also agreed a set of ten Investment Beliefs that reflect its long-term investment philosophy.

TPT's Trustee Board delegates responsibility for implementation of its Responsible Investment policy to the Investment Committee. The IC provides an update on the implementation of its the Responsible Investment & Climate Change policy on a quarterly basis through its reporting requirements, which incorporate a climate related pillar.

In 2016, the IC undertook a formal review of the potential financial impact of climate change on its investments, using Mercer's proprietary multi-asset climate change scenario tool.

NB: TPT's Responsible Investment and Climate Change policy is updated and reviewed by the Board of Trustees on an annual basis, most recently in November 2018.

SG 07.7 CC	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
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The CIO and Investment team are responsible for implementing the investment strategy, with the day-to-day investment management activities out-sourced to third-party fund managers.

The CIO and IC are assisted in forming capital market and other investment views (including portfolio composition, manager selection and monitoring of investment managers) by TPT's Portfolio Construction Group. The focus of the group includes amongst many other things, climate related risks and opportunities as they relate to TPT's investments.

In terms of ensuring its managers are aligned with TPT's policy on climate change, TPT's expectations on ESG and climate risk are incorporated in the Investment Management Agreements (IMAs) that we put in place with new managers. The PCG and IC monitor the on-going performance of our managers through TPT's Responsible Investment Manager Ratings system. The manager ratings are updated and shared with the IC and Senior Management Team (SMT) on a quarterly basis.

SG 07.8 CC	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

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

	Describe
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Strategy affected - DB Growth Assets Portfolio
 Changes to strategy - Reduce equities, increase allocation to illiquid alternatives, in particular infrastructure funds supporting low carbon transition.

Description of scenario and time-horizon: Multi-asset scenario analysis has been conducted on a 10 year time horizon.

- 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

- 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 13.3 Additional information. [OPTIONAL]

TPT's Global Equity Portfolio has also been considered on a five-year time horizon against a two degrees scenario.

SG 13 CC	Voluntary	Public	Descriptive	General
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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
- Incorporation into investment analysis

Describe

To inform our asset allocation and manager selection, alongside a range of other considerations.

- Inform active ownership
- 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
- No

Please explain the rationale

Our investment horizon is typically up to 10 years. We feel this is sufficient to capture medium term trends that may have a material financial impact on our portfolio, whilst not being so long that unknown technological and/or regulation become the dominate factor.

**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 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: #cccccc; padding: 2px;">Other (1) please specify:</div> Mercer TRIP
Other	<input checked="" type="checkbox"/> Other (2)	<div style="background-color: #cccccc; padding: 2px;">Other (2) please specify:</div> 2ii scenario tool
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			100	000	000
Currency	USD				
Assets in USD			100	000	000

Specify the framework or taxonomy used.

We have classified our assets into the following two categories

- 1) Green assets
- 2) Brown assets

- 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 14.4 If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

Mercer's climate model for TPT's entire DB Growth Assets (53% of total assets) (2016)
 Two Degrees Investing Model for global equities (30% of total assets) (2017)
 Carbon Footprinting (2017)

SG 14.5 Additional information [Optional]

Please see further information in TPT's Report on Climate Disclosure available on our website.
<http://www.tpt.org.uk/docs/default-source/investments/responsible-investment/tpt-climate-change-report>

SG 14 CC	Voluntary	Public	General
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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
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To understand carbon intensity of TPT's equity and corporate bond holdings, to report to beneficiaries, to fulfill our obligation of being a signatory to the Montreal Pledge	tonnes of carbon/£million invested	Trucost methodology has assisted TPT with its carbon footprint.
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			

**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

Please describe

For asset owners with diversified portfolios climate change disclosure is not straightforward. The range of asset classes and strategies we have exposure to makes analysis of carbon risk at the aggregate level challenging, not least because there is insufficient robust and timely data but also because standardised methodologies to quantify the risk do not yet exist.

In the last couple of years new tools have become available for investors wanting to analyse the financial impact of climate change on their portfolio.

At TPT the CIO and IC are assisted in forming capital market and other investment views (including portfolio composition, risk management, manager selection and monitoring of investment managers) by TPT's Portfolio Construction Group. The focus of the group includes amongst many other things, climate related risks and opportunities as they relate to TPT's investments.

Where appropriate the PCG seeks to consider positive climate related investments, for example in 2017 it has made an allocation to green-field infrastructure which has a low-carbon technology focus. In October 2017, the PCG received a presentation on the carbon risk of the growth portfolio including scenario analysis and carbon footprint information (specifically for equities and corporate bonds).

- 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

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

Asset class invested

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

% of AUM

1

- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

TPT's infrastructure allocation includes investments in renewable energy including wind, solar and renewable supporting infrastructure. The measurement is of the % of AUM is based on the amount TPT has committed to this strategy, and forms the model portfolio weight.

- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health

Asset class invested

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

% of AUM

0.1

- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

TPT's infrastructure allocation includes investments in construction and operation of hospitals in Turkey. The measurement is based on the fair value of the infrastructure investments as a proportion of our total infrastructure allocation.

- Water
 - Other area, specify
- No

