



CLIMATE TRANSPARENCY REPORT 2020

Eskom Pension and Provident Fund

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/-A2B8AA82-1ED5-4BE3-A5CF-4DFBA0AAA361/79894dbc337a40828d895f9402aa63de/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	-					
SG 13.5 CC	-					
SG 13.6 CC	-					
SG 13.7 CC	-					
SG 13.8 CC	-					
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	-					
SG 14.7 CC	-					
SG 14.8 CC	-					
SG 14.9 CC	-					
SG 15.1	✓	Private				
SG 15.2	✓	Private				
SG 15.3	✓	Private				

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	Eskom Pension and Provident Fund
Signatory Category	Corporate pension or superannuation or retirement or provident fund or plan
Signatory Type	Asset Owner
Size	US\$ 5 - 9.99 billion AUM
Main Asset Class	>50% Listed Equity Externally Managed
Signed PRI Initiative	2009
Region	Africa
Country	South Africa
Disclosure of Voluntary Indicators	78% from 38 Voluntary indicators

Eskom Pension and Provident Fund

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.

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.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

The Fund is mindful of its fiduciary obligation to members and beneficiaries and ensuring that the assets are invested responsibly and generate a long-term rate of return that is sustainable

From an asset allocation point of view, the Fund has an allocation to renewable energy via the Developmental Impact Fund. The rationale for this allocation is that investment into renewable energy will address the negative consequences of over reliance on coal-generated energy.

As part of Manager Selection and Monitoring, we evaluate whether a manager considers climate related risks and other ESG risks in their investment process. The Fund remains committed to applying the principles of responsible investing (incorporating ESG) in our investment process for both internal and external portfolio managers.

We have identified and prioritised engagement on Environmental and Climate Change issues in our annual Corporate Engagement plan, which is approved by the Strategic Investment Committee of the Fund.

Further, as per our Proxy Voting Policy, we leverage our proxy voting power to engage investee companies on environmental disclosure and corporate impact on the environment (ie high pollution, acid water, air pollution by coal fired power stations).

No

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

Yes

No

Describe why your organisation has not yet assessed the likelihood and impact of climate risks

We have not assessed the impact of climate risk on our total portfolio. However, several of our underlying managers have run such assessments on the portfolios which they manage on our behalf. The Fund will incorporate these analyses when it has internal capacity to do so. It is the aim of the Fund to assess the likelihood and impact of climate risks before 30 June 2021.

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

- Yes
 No

Explain the rationale

The Fund has not publicly supported the TCFD, however, several of the underlying managers who manage portfolios on our behalf have expressed public support of the TCFDs. However, the Fund is in the process of updating its policies with a view to including the principles of TCFD by 30 June 2020.

**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

The Fund is mindful of its fiduciary obligation to members and beneficiary and ensuring that the assets are invested responsibly and generate a long-term rate of return that is sustainable

From an Asset Allocation point of view, the Fund has an allocation to renewable energy via the Developmental Impact Fund. Investment into renewable energy will address the negative consequences of over reliance on coal-generated energy. Currently, we are in the process of developing an Impact Policy which will measure the impact of these investments.

The Fund is signatory to the Principles of Responsible Investment and regularly refers to PRI material in order to stay abreast of the latest climate-related risks. We monitor the portfolios, which are managed externally, on a daily, monthly, quarterly and annual basis with consideration of ESG risks.

We have identified and prioritised engagement on Environmental and Climate Change issues in the Engagement plan.

Further, as per our Proxy Voting Policy, we will leverage our proxy voting power to engage investee companies on environmental disclosure and corporate impact on the environment (ie high pollution, acid water, air pollution by coal fired power stations).

- 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

SG 07 CC

Mandatory to Report Voluntary to Disclose

Public

Descriptive

General

**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

Other Chief-level staff or heads of departments

- 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

External managers or service providers

- 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 that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

Board approve IPS and Proxy Voting Policy.

The Strategic Investment Committee, a board committee, is responsible for reviewing the Proxy Voting policy for modification as needed and making recommendations for consideration by the Board. The SIC also reviews the appropriateness of and approving the strategy parameters and goals for corporate engagement activities.

SG 07.7
CC

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

Implement Proxy either via the Proxy Voting agent or through IMU in instances where the Proxy Voting agent is allowed to vote or speak on behalf of the Fund.

Establish and monitor strategy parameters and goals for corporate goals for corporate governance activities.

Ensure that the policy is kept current and through regular policy review

Ensure that policies are made available/communicated to the relevant stakeholders

Ensure that deviations from the policy are documented and sent to the CE for approval

SG 07.8
CC

Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other

Specify

We requested that all our managers complete the PRI climate indicator report and send the document back to the Fund.

- We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

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

SG 13.3

Additional information. [OPTIONAL]

We do not currently carry out scenario analysis and/or modelling on our total portfolio, although we remain committed to improving our understanding and developing this process. However, some of our external managers do carry out scenario analysis on the portfolios they manage on our behalf.

Nonetheless, the Fund uses the MSCI ESG Rating system to assign an ESG rating to the securities it owns. Furthermore, it can monitor the overall ESG rating of the whole portfolio using the MSCI Barra One risk system.

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
- 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

	other description
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- Developmental Impact investments concentrate on initiatives such as environmental impact i.e. clean energy, reduction of carbon emissions etc.
- None of the above

SG 14.3	Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.
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- 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

We manage risks and opportunities through guidelines as provided by policies governing the Developmental Impact investments.

None of the above