

PRI REPORTING FRAMEWORK 2020

Strategy and Governance   
(Climate-related indicators only)

November 2019

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# Understanding this document

In addition to the detailed indicator text and selection options, in each module of the PRI Reporting Framework you can find information that will help you identify which indicators are relevant to your organisation.

**Top bar**

Key information about each indicator is highlighted in the top bar, including the indicator status (mandatory or voluntary), the purpose of the indicator, and which PRI Principle it relates to.

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|  | Indicator status | Purpose | Principle |
| xxx 01 | MANDATORY | CORE ASSESSED | PRI 2 |

**Indicator status**

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| MANDATORY | Mandatory indicators reflect core practices. These responses will be made public and must be completed to submit the framework. |
| MANDATORY TO REPORT  VOLUNTARY TO DISCLOSE | Some indicators are mandatory to complete, but voluntary to disclose. These indicators may determine which subsequent indicators are applicable or are used for peering, but they may also contain commercially sensitive information. |
| VOLUNTARY | Voluntary indicators reflect alternative or advanced practices. These indicators are voluntary to report and disclose. |

**Purpose**

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| Gateway |  | The responses to this indicator ‘unlock’ other indicators within a module if they are relevant to your organisation. Please refer to the logic box for more information. |
| Peering |  | These indicators are used to determine your peer groups for assessment purposes. |
| Core assessed |  | These indicators form the core of the assessment and represent the majority of your final assessment score. |
| Additional assessed |  | These indicators represent more advanced or alternative practices and contribute to a smaller part of your score. |
| Descriptive |  | These are open-ended narrative indicators, allowing you to describe your activities. |

**Underneath the indicator**

Underneath the indicator, you can find explanatory notes and definitions which contain important information for interpreting and completing the indicators. Read the logic box to make sure an indicator is applicable to you.

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| xxx 01 | **EXPLANATORY NOTES** |
| **xxx 01.1** | This provides guidance on how to interpret the sub-indicators, including examples of what can be reported. |
| **xxx 01.2** |
| **LOGIC** | |
| **xxx 01** | This explains when this indicator is applicable and/or if it has an impact on subsequent indicators. If there is no logic box, the indicator is always applicable and does not affect other indicators. |
| **ASSESSMENT** | |
| **xxx 01** | This provides a brief overview of the pilot assessment approach for this indicator. |
|  |  |
| xxx 01 | **DEFINITIONS** |
| **xxx 01** | Specific terms that are used in the indicator are defined here. |

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# Pathways through the module

**SG 01:** RI policy and coverage

**SG 02** Publicly available RI policy or guidance documents

RI policy or guidance documents

No RI policy or other guidance document referring to RI

Objectives not set for RI activities

**SG 15**: Allocation of assets to environmental and social themed areas

**SG 12:** Outsourcing to investment consultants and fiduciary managers

**SG 13:** ESG issues in strategic risks and opportunity

**SG 14:** Long-term investment risks and opportunities

Specific roles with responsibility for RI

**SG 09:** Collaborative organisations / initiatives

**SG 11:** Dialogue with public policy makers or regulators

**SG 10:** Promoting RI independently

No roles have responsibility for RI

**SG 08:** RI in performance management, reward and/or personal development

Objectives set for RI activities

**SG 07:** RI roles and responsibilities

**SG 05:** RI goals and objectives

**SG 03:** Conflicts of interest

**SG 06:** Main goals/objectives this year

**SG 04:** Identifying incidents occurring within portfolios

**SG 18**: Innovative features of approach to RI

**SG 19:** Communications

Only if ESG issues are considered for internally or externally managed assets not reported elsewhere in the framework

**SG end:** Module confirmation page

**SG 16:** ESG issues for internally managed assets not reported in framework

**SG 17:** ESG issues for externally managed assets not reported in framework

# Preface

The purpose of the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD) was to develop a set of recommendations that outlined consistent and reliable disclosures on climate-related financial risks, thereby providing investors, lenders, insurers and other stakeholders with information necessary to manage these risks and opportunities.

To support investors in making the recommended disclosures and demonstrating their relevant activity, the PRI integrated new climate-related indicators based on the TCFD recommendations into the Reporting Framework in 2018. From the 2020 reporting cycle, a subset of these indicators will be mandatory to report on (SG 01 CC, SG 07 CC, SG 13 CC), but voluntary to disclose. The remaining climate-related indicators (SG 14 CC) will continue to be voluntary to report and voluntary to disclose.

None of the climate-related indicators will be assessed. The ‘Summary of updates’ table below provides brief information about the changes made to the climate-related indicators. There is also a link to a spreadsheet with more detailed description of changes.

Responses will be accessible in the form of a stand-alone climate transparency report that will assist your organisation in aligning with the TCFD recommendations.

**Summary of updates**

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| --- | --- |
| 2020 Indicator | Update summary |
| SG 01.6 CC – SG 01.12 CC | Reporting requirement changed to ‘Mandatory to Report, Voluntary to Disclose’. |
| SG 07.5 CC – SG 07.8 CC | Reporting requirement changed to ‘Mandatory to Report, Voluntary to Disclose’’. |
| SG 13.4 CC – SG 13.8 CC | Reporting requirement changed to ‘Mandatory to Report, Voluntary to Disclose’’. |
| SG 01.7 CC & SG 01.8 CC, SG 01.9 CC & SG 01.11 CC | Sub-indicators merged and re-worded. |
| SG 13.7 CC | Wording change and selection options updated. |
| SG 14.7 CC | Structure and wording change. |

To view a detailed summary of changes to the modules, please click [here.](https://d8g8t13e9vf2o.cloudfront.net/Uploads/y/m/z/2020updatesofindicatorsinvestor_747566.xlsx)

# The TCFD recommendations mapped against the PRI Reporting Framework

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| **TCFD Recommendation** | **Mapping of TCFD recommendations to PRI climate indicators (primary)** | **other Relevant PRI Indicators** |
| **Governance** |  |  |
| 1. Describe the board’s oversight of climate-related risks and opportunities. | SG 07.6 CC | SG 01.9 CC  SG 07.5 CC |
| 1. Describe management’s role in assessing and managing climate-related risks and opportunities. | SG 07.7 CC | SG 07.5 CC |
| **Strategy** | | |
| 1. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term. | SG 01.6 CC | SG 01.7 CC  SG 01.8 CC  SG 13.6 CC |
| 1. Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | SG 13.4 CC | SG 13.1 CC  SG 13.5 CC  SG 13.7 CC  SG 13.8 CC |
| **Risk Management** | | |
| 1. Describe the organisation’s processes for identifying and assessing climate-related risks. | SG 14.8 CC |  |
| 1. Describe the organisation’s processes for managing climate-related risks. | SG 14.8 CC |  |
| 1. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation’s overall risk management. | SG 14.8 CC | SG 13.9 CC |
| **Metrics and Targets** | | |
| 1. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. | SG 14.6 CC | SG 14.1  SG 14.3 |
| 1. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. | SG 14.6 CC | SG 14.3 |
| 1. Describe the targets used by the organisation to manage climate-related risks and opportunities, and the performance against the targets. | SG 14.6 CC | SG 14.7 CC  SG 14.3 |

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| SECTION |
| Climate-related disclosure indicators |

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|  | Indicator status | Purpose | Principle |
| SG 01 CC | MANDATORY TO REPORT, VOLUNTARY TO DISCLOSE | DESCRIPTIVE | GENERAL |

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|  | CLIMATE-RELATED DISCLOSURE INDICATOR | |
| **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.  Free text [500 words] | 🔾 No.  Describe why your organisation has not yet gone through a process to identify transition and physical climate-related risks and opportunities.  Free text [500 words] |
| **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. [500 words] | * No.   Describe why your organisation has not yet assessed the likelihood and impact of climate risks. [500 words] |
| **SG 01.8 CC** | Indicate whether the organisation publicly supports the TCFD?­ | |
| * Yes | * No   Explain the rationale; [200 words] |
| **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.   [500 words] | * No.   Describe how and over what time frame the organisation will implement an organisation-wide strategy that manages climate-related risks and opportunities. [500 words] |
| **SG 01.10 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 currently do not publish TCFD disclosures | |

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| SG 01 CC | **CLIMATE-RELATED DISCLOSURE** **EXPLANATORY NOTES** |
| SG 01 CC | **This indicator provides signatories with an opportunity to outline their overall approach to climate-related risks and is aligned with the Recommendations of the Task Force on Climate-related Financial Disclosures (Area: Strategy).**  Note: The Task Force recommendations relate to climate-related risks and opportunities that are most pertinent to the organisation’s business activities, and, therefore, reporting should be reflective of this. See Table 1 (p. 10) of the [Recommendations of the Task Force on Climate-related Financial Disclosures](https://www.fsb-tcfd.org/wp-content/uploads/2017/06/FINAL-TCFD-Report-062817.pdf).  **What are the TCFD recommendations?**  The Financial Standards Board (FSB) Taskforce on Climate-Related Financial Disclosure (TCFD) recommendations provide a common international framework for companies and investors to translate information about climate change into financial metrics.  What does the TCFD recommend? A voluntary series of recommendations clustered under four categories: governance, strategy, risk management and metrics.  Whom are the recommendations for? Both companies and investors. The TCFD considers investors to be both users and the issuers of climate-relate disclosures.  Where should the disclosures take place? In companies’ and investors’ regular financial filings (i.e. annual report or periodic client reporting).  To find out more on how your peers have responded on this practice, view our analysis in the [**climate change interactive snapshot report**](https://app.powerbi.com/view?r=eyJrIjoiYzc4YmQwMTItZmRhNC00MzY4LWI0ODYtZDE3OTcwYTk4ZDNiIiwidCI6ImZiYzI1NzBkLWE5OGYtNDFmMS1hOGFkLTEyYjEzMWJkOTNlOCIsImMiOjh9) available on the Data Portal and the PRI website. |
| **SG 01.6 CC** | Within the organisation’s current investment time horizon, provide details on the climate-related risks and opportunities that your organisation has identified and factored into its investment strategy and products. Please give reference to both physical and transition risks. In addition, please indicate the organisation’s investment time horizon.  Physical and transition risks:  Physical risks include the impacts on insurance liabilities, financial assets and disruption to trade from more frequent & severe extreme weather events, stress to food, energy and resource security that arise from climate change. Physical risks may often be more easily identifiable in alternative assets such as infrastructure and property.  Transition risks include the impacts from the process of adjusting towards a low and ultimately zero carbon economy. Technological change or shifts in government policy could prompt a re-valuation of a large range of assets as costs and opportunities become apparent  You can read more about climate-related physical and transition risks in the PRI’s [guidance on implementing the TCFD recommendations](https://www.unpri.org/download?ac=4652) (p.8), as well as in the [TCFD recommendations report](https://www.fsb-tcfd.org/wp-content/uploads/2017/06/FINAL-2017-TCFD-Report-11052018.pdf) (p.6-8).  You may also wish to provide further detail on the climate-related risks and opportunities linked to investment portfolios, asset classes, sectors and regions. |
| **SG 01.7 CC** | This indicator allows you to identify the time horizons linked to the climate-related risks and opportunities that the organisation has identified.  Please indicate what timescale is relevant for each of the risks and opportunities identified by the organisation.  You may like to include details on how the organisation assessed and determined the impact and likelihood of these risks. |
| **SG 01.8 CC** | This indicator considers the phrase ‘**publicly supports the TCFD recommendations**’ to mean that your organisation has publicly endorsed the TCFD recommendations.  **For example, you may be listed as an official supporter of the TCFD, you may have published documents/reports that state your** support, or you may report publicly on the climate-related indicators through the **PRI.** |
| **SG 01.09 CC** | Provide further information on your organisation-wide strategy currently in place, detailing the process of identifying and managing material climate-related risks and opportunities.  You may also wish to provide details on some of these risks and opportunities that have been identified over the short, medium and long-term.  If you selected the ‘No’ option:  Implementation of the TCFD recommendations is likely to occur over a multi-year period.  This indicator allows you to detail the time frame and associated processes involved in implementing the recommendations within your organisation’s organisations investment strategies, processes and activities.  You may wish to use the following stages, as noted in the PRI’s Asset Owner Guide to TCFD, to guide your response.   1. Getting started and establishing processes (year one)  * Become familiar with the TCFD recommendations * Investigate business cases for TCFD and the approaches of peers * Establish board-level oversight and an internal climate-risk management process * Request that the CIO, consultants and managers consider climate-related risks * Establish an implementation and monitoring plan * Disclose strategy and governance approaches in the PRI’s climate-risk indicators and/or annual report  1. In-depth assessment of potential portfolio exposure (year two)  * Analyse portfolio holdings * Engage/assess the organisation’s managers * Identify climate-scenario analyses, and consider where the concentrations of risk are likely to be and how they may affect the performance of investment portfolios over time * Identify and, where possible, disclose useful metrics for assessing climate-related risks and opportunities * Incorporate climate risk into risk identification and assessment processes * Updated disclosure in the PRI’s climate-risk indicators and/or the organisation’s annual report  1. Full integration with the risk management strategy (year three)  * Full integration of TCFD recommendations within investment risk-identification and assessment processes * Integrate climate-scenario planning and disclose. Disclose how the organisation is integrating scenarios into its investment process * Expand sector coverage (where applicable) * Identify responses, including engagement and a tilt towards climate solutions * Report and reassess annually or at regular intervals |
| **SG 01.10 CC** | This indicator provides you with an opportunity to indicate where the organisation’s full or partial TCFD-aligned disclosures are available.  We consider ‘publishing’ in this context to mean that the information is available to clients/beneficiaries/trustees and/or the public. |
| **LOGIC** | |
| **SG 01 CC** | [SG 01.7 CC] will be applicable if ‘Yes’ is selected in [SG 01.6 CC]. |

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| SG 07 CC | Indicator status | Purpose | Principle |
| MANDATORY TO REPORT, VOLUNTARY TO DISCLOSE | DESCRIPTIVE | GENERAL |

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|  | **CLIMATE-RELATED DISCLOSURE INDICATOR** | | | |
| **SG 07.5 CC** | Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues. | | | |
| **Roles present in the organisation** | **Oversight/ accountability for climate-related issues** | **Assessment and management of climate-related issues** | **No responsibility for climate-related issues** |
| Board members or trustees | ❑ | ❑ | ❑ |
| Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee | ❑ | ❑ | ❑ |
| Other chief-level staff or heads of departments | ❑ | ❑ | ❑ |
| Portfolio managers | ❑ | ❑ | ❑ |
| Investment analysts | ❑ | ❑ | ❑ |
| Dedicated responsible investment staff | ❑ | ❑ | ❑ |
| Investor relations | ❑ | ❑ | ❑ |
| External managers or service providers | ❑ | ❑ | ❑ |
| Other role, specify (1) \_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ |
| Other role, specify (2) \_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ❑ | ❑ | ❑ |
| SG 07.6 CC | For **board-level** roles that have **climate-related issue** oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed. | | | |
| Free text [500 words] | | | |
| SG 07.7 CC | For **management-level** roles that assess and manage **climate-related issues**, provide further information on the structure and processes involved. | | | |
| Free text [500 words] | | | |
| 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 do not engage with external managers and/or service providers on the TCFD recommendations and their implementation | | | |

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| SG 07 CC | **EXPLANATORY NOTES** |
| SG 07 CC | **This indicator is aligned with the Recommendations of the Task Force on Climate-related Financial Disclosures (Area: Governance).**  To find out more on how your peers have responded on this practice, view our analysis in the [climate change interactive snapshot report](https://app.powerbi.com/view?r=eyJrIjoiYzc4YmQwMTItZmRhNC00MzY4LWI0ODYtZDE3OTcwYTk4ZDNiIiwidCI6ImZiYzI1NzBkLWE5OGYtNDFmMS1hOGFkLTEyYjEzMWJkOTNlOCIsImMiOjh9) available on the Data Portal and the PRI website. |
| **SG 07.6 CC** | Provide details on how oversight/accountability and/or implementation responsibilities for climate-related issues are executed by board members.  Information may include:   * Processes and frequency with which the board/committees are informed about climate-related issues * How climate-related issues are considered when reviewing and guiding decision making * How the board/committees monitor and oversee progress on climate-related targets and goals |
| **SG 07.7 CC** | Provide details on the processes and structures used by management to assess and manage climate-related issues.  Information may include:   * A description of the associated organisational structure(s) * Whether management reports to the board or to a committee of the board * The process by which management is informed about climate-related issues * How management (through specific positions and/or management committees) monitors climate-related issues |
| **SG 07.8 CC** | For further information and access to the TCFD Fund Manager questions referenced in this indicator, please see the [PRI’s Guide for Asset Owners](https://www.unpri.org/download?ac=4652).. |
| **LOGIC** | |
| **SG 07 CC** | [SG 07.5 CC] options will be auto-filled based on the roles that have been reported as existing within your organisation in [SG 07.1].  [SG 07.6 CC] will be applicable if “Board members or trustees” have climate-related oversight and/or implementation responsibilities, as reported in [SG 07.5 CC].  [SG 07.7 CC] will be applicable if chief-level staff assess and manage climate-related issues, as reported in [SG 07.5 CC].  [SG 07.8 CC] will be applicable if externally managed assets are reported in [OO 05.1]. |

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| SG 07 CC | **CLIMATE-RELATED DISCLOSURE INDICATOR DEFINITIONS** |
| **Management-level roles** | According to the FSB Taskforce on Climate-related Financial Disclosure, ‘management-level roles’ refers to positions which an organisation views as executive or senior management positions, and which are generally separate from the board. |

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| SG 13 CC | Indicator status | Purpose | Principle |
| MANDATORY TO REPORT, VOLUNTARY TO DISCLOSE | DESCRIPTIVE | GENERAL |

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|  | **CLIMATE-RELATED DISCLOSURE INDICATOR** | | | |
| **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   Describe [50 words] \_\_\_\_\_\_\_\_   * Yes, in order to assess future climate-related risks and opportunities   Describe [50 words] \_\_\_\_\_\_\_\_  🔾 No, our organisation does not currently carry out scenario analysis and/or modelling | | | |
| **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 [Free text; 500 words]   * Incorporation into investment analysis   Describe [Free text; 500 words]   * Inform active ownership   Describe [Free text; 500 words]   * Other (specify): \_\_\_\_\_\_\_\_\_   Describe [Free text; 500 words] | | | |
| **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 \_\_\_\_\_\_\_\_ | | | |
| **SG 13.6CC** | Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy. | | | |
| * Yes.   Describe  Free text [500 words] | | | * No.   Please explain the rationale  Free text [500 words] |
| **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 Name** | **Scenario used** | |
| *Energy transition scenarios* | | | |
| IEA | Beyond 2 Degrees Scenario (B2DS) | ❑ | |
| Energy Technology Perspectives (ETP) 2 Degrees scenario | ❑ | |
| Sustainable Development Scenario (SDS) | ❑ | |
| New Policy Scenario (NPS) | ❑ | |
| Current Policy Scenario (CPS) | ❑ | |
| IRENA | RE Map | ❑ | |
| Greenpeace | Advanced Energy [R]evolution | ❑ | |
| Institute for Sustainable Development | Deep Decarbonisation Pathway Project (DDPP) | ❑ | |
| Bloomberg | BNEF reference scenario | ❑ | |
| *Physical climate scenarios* | | | |
| IPCC | Representative Concentration Pathway (RCP) 8.5 | ❑ | |
| RPC 6 | ❑ | |
| RPC 4.5 | ❑ | |
| RPC 2.6 | ❑ | |
| *Other* | | | |
| Other | Other (1); specify: \_\_\_\_\_\_\_ | ❑ | |
| Other (2); specify: \_\_\_\_\_\_\_ | ❑ | |
|  | Other (3); specify: \_\_\_\_\_\_\_ | ❑ | |

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| SG 13 | **EXPLANATORY NOTES** |
| SG 13 | **This indicator is aligned with the Recommendations of the Task Force on Climate-related Financial Disclosures (Area: Strategy).**  To find out more on how your peers have responded on this practice, view our analysis in the [climate change interactive snapshot report](https://app.powerbi.com/view?r=eyJrIjoiYzc4YmQwMTItZmRhNC00MzY4LWI0ODYtZDE3OTcwYTk4ZDNiIiwidCI6ImZiYzI1NzBkLWE5OGYtNDFmMS1hOGFkLTEyYjEzMWJkOTNlOCIsImMiOjh9) available on the Data Portal and the PRI website. |
| **SG 13.1** | Scenario analysis that incorporates factors representing the investment impact of future trends, including their risk profile at a portfolio level. For example, resource scarcity, technological developments.  For many investors, the most significant effects of climate change are likely to arise over the medium to long term, with their timing and magnitude remaining uncertain. This makes it challenging to understand the implications from an investment perspective. Scenario analysis is a useful tool for companies and investors to understand the strategic implications of climate-related risks and opportunities. More industry work is needed on scenarios, particularly reference scenarios.  The difference between ‘ESG factors’ and ‘climate-related risks and opportunities’: in this indicator, ‘climate-related risks and opportunities’ refers to the real and potential impact of climate change, including physical and transitional risks and the resulting opportunities. Refer to Appendix 1 of [Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures](https://www.fsb-tcfd.org/wp-content/uploads/2017/06/FINAL-TCFD-Annex-062817.pdf). |
| **SG 13.4 CC** | Climate-related scenario analysis can be used to guide and improve an organisation’s ability to make investment decisions, specifically the initial assessment of a potential investment can be incorporated into an investment analysis and/or inform active ownership activities.  Further, this indicator allows you to provide further details on how the analysis has been interpreted, the results of its application, and any future plans with regards to scenario analysis. |
| **SG 13.6 CC** | This indicator allows you to describe whether your organisation evaluates the impact of climate-related risks that may be relevant beyond the organisation’s identified investment time horizon.  Where any risks have been evaluated, describe these risks, and highlight the associated time scales. |
| **SG 13.7 CC** | Option ‘Analysis of a 2°**C or lower scenario'**relates to the transition to a lower-carbon economy consistent with a 2*°C* or lower scenario. This envisions an orderly transition, where countries start to reduce emissions now in a consistent and measured way in line with the objectives of the Paris Agreement. You can read more about this [here](https://www.fsb-tcfd.org/wp-content/uploads/2017/06/FINAL-TCFD-Technical-Supplement-062917.pdf).  ‘**Analysis based on an abrupt transition, consistent with the Inevitable Policy Response**’ – This option relates to analysis based on a sudden tightening of policy which is significantly more disruptive, but still sufficient to get back on track with climate goals. Current global emissions are not on track with an orderly transition, and the longer the present drift continues, the greater the policy risk for investors that governments will abruptly look to catch up with the goals of the Paris Agreement. See [here](https://www.unpri.org/climate-change/what-is-the-inevitable-policy-response/4787.article) for further information about the Inevitable Policy Response.  ‘**Analysis based on a 4C or higher scenario**’ – This analysis relates to a scenario where emissions from countries continue to rise and there is little if any effort to avert the destructive economic and social damages. The [Intergovernmental Panel on Climate Change’s (IPCC’s) Fifth Assessment Report](https://www.ipcc.ch/report/ar5/syr/) outlines some of the consequences of this scenario. Converting the scientific assessment into financial metrics is challenging, particularly for a failure to transition scenario, as the results are wildly sensitivity to underlying assumptions. However, the TCFD provides a framework for assessing physical climate risk, distinguishing it into acute and chronic risks. This is further expanded on in a report by the EBRD on “[Advancing TCFD Guidance on Physical Climate Risk and Opportunities](https://www.climatecentre.org/downloads/files/EBRD-GCECA%20report.compressed.pdf)”. |
| **SG 13.8 CC** | Further guidance provided by the FSB Task Force includes a supplementary technical guide on [The Use of Scenario Analysis in Disclosure of Climate-Related Risks and Opportunities](https://www.fsb-tcfd.org/publications/final-technical-supplement/). Opportunities, specifically information on a number of scenarios, is available on page 17 of this guide.  A directory of climate-scenario tools developed by service providers is available [here](https://www.unpri.org/climate-change/directory-of-climate-scenario-tools/3606.article). The PRI is publicly supporting a number of tools and initiatives:   * The [Paris Agreement Capital Transition Assessment](http://www.transitionmonitor.com/en/home/) (PACTA) tool, which provides portfolio-level analysis of transition risks for listed risk in equities and corporate bonds, and which uses asset-level data. * [The Transition Pathway Initiative (TPI)](http://www.lse.ac.uk/GranthamInstitute/tpi/) — sector-level analysis of companies’ management of carbon emissions and their alignment with the Paris Agreement. The TPI uses company-disclosed data. * [2 Degrees of Separation](http://2degreeseparation.com/) — company and sector-level analysis of the oil and gas sector, using asset-level data |
| **LOGIC** | |
| **SG 13 CC** | [SG 13.4 CC – 8 CC] are applicable if “‘Yes, in order to assess future climate-related risks and opportunities”. is selected in [SG 13.1] |

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|  | Indicator status | Purpose | Principle |
| SG 14 | VOLUNTARY | DESCRIPTIVE | GENERAL |

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|  | **CLIMATE-RELATED DISCLOSURE INDICATOR** |
| **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, please explain why not [Free text; 200 words] \_\_\_\_\_ |

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| **SG 14.3** | Indicate which of the following tools your 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, please explain why not \_\_\_\_\_ | | | | |
| **SG 14.6 CC** | Provide further details on the key metric(s) used to assess climate-related risks and opportunities. | | | | |
| Metric Type | Coverage | Purpose | Metric Unit | Methodology |
| Autofill from CC selections in [SG 14.4] | Dropdown options  - All assets  - Majority of assets  - Minority of assets |  |  |  |
| [Same as above] | [Same as above] |  |  |  |
| [Same as above] | [Same as above] |  |  |  |
| [Same as above] | [Same as above] |  |  |  |
| [Same as above] | [Same as above] |  |  |  |

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| **SG 14.7 CC** | Describe in further detail the key targets. | | | | |
| Target type | Baseline year | Target year | Description | Attachments |
| *(Absolute / Intensity based dropdown)* |  |  |  |  |
| [Same as above] | [Same as above] | [Same as above] |  |  |
| [Same as above] | [Same as above] | [Same as above] |  |  |
| [Same as above] | [Same as above] | [Same as above] |  |  |
| [Same as above] | [Same as above] | [Same as above] |  |  |
| **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) *Free text [500 words]* * Processes for climate-related risks are not integrated into overall risk management (please describe) *Free text [500 words]* | | | | |
| **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). *Free text [500 words]* * No, we do not undertake active ownership activities. * No, we do not undertake active ownership activities to encourage TCFD adoption. | | | | |

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| SG 14 CC | | **CLIMATE-RELATED DISCLOSURE INDICATOR DEFINITIONS** |
| Weighted Average Carbon Intensity | | Portfolio’s exposure to carbon-intensive companies, expressed in tonnes CO2e / $M revenue. *Metric recommended by the FSB Task Force.* |
| Carbon Intensity | | Volume of carbon emissions per million dollars of revenue (carbon efficiency of a portfolio), expressed in tonnes CO2e / $M revenue. |
| Total Carbon Emissions | | The absolute greenhouse gas emissions associated with a portfolio, expressed in tonnes CO2e. |
| (Portfolio) Carbon Footprint | | Total carbon emissions of a portfolio, normalised by the market value of the portfolio, expressed in tonnes CO2e / $M invested. |
| Exposure to Carbon-Related Assets | | The amount or percentage of carbon-related assets in the portfolio, expressed in $M or as a percentage of the current portfolio value. |
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|  | **EXPLANATORY NOTES** | |
| SG 14 | **This indicator is aligned with the Recommendations of the Task Force on Climate-related Financial Disclosures (Area: Risk Management, Metrics and Targets).**  To find out more on how your peers have responded on this practice, view our analysis in the [climate change interactive snapshot report](https://app.powerbi.com/view?r=eyJrIjoiYzc4YmQwMTItZmRhNC00MzY4LWI0ODYtZDE3OTcwYTk4ZDNiIiwidCI6ImZiYzI1NzBkLWE5OGYtNDFmMS1hOGFkLTEyYjEzMWJkOTNlOCIsImMiOjh9) available on the Data Portal and the PRI website. | |
| **SG 14.4** | Activities to measure and reduce the organisation’s own carbon footprint should not be described here, unless they refer to buildings which the organisation occupies and reports on as part of a directly managed property portfolio. | |
| **SG 14.6 CC** | Provide details on the key metrics used to measure and manage climate-related risks and opportunities.  Metrics should be provided for historical periods and should cover the greater proportion of the organisation’s AUM. You can provide up to five entries.  In the appropriate columns, please provide the following details;  Metric Type  This information is auto-filled from response in [SG 14.3].  Coverage   * Indicate whether the metric is applicable to a minority, to a majority or to all the assets under management.   Purpose  Describe how the metric is used, e.g., inform investment decisions, monitoring. You may wish to include:   * whether and how related performance metrics are incorporated into remuneration policies.   Metric Unit  Indicate the unit of measurement used, e.g., USD per tonne of carbon.  Methodology  You may wish to include information that covers the following:   * the methodology used to calculate or estimate figures of the key metric identified; * how this metric has trended, detailing any changes that have occurred over time; * whether this metric information is shared with clients/beneficiaries; * if relevant, indicate any weaknesses or limitations with the metric. | |
| **SG 14.7 CC** | In the appropriate columns, please provide the following details:  Targets  An absolute target considers the total reduction in emissions over a period, for example, to reduce emissions by a number of tonnes of CO2e.  In comparison, an intensity target considers the reduction in emissions relative to a measurement of business activity, for example, reducing emissions by a number of tonnes of CO2e per unit of revenue.  Baseline year  Indicate the year you started measuring the progress of your target(s).  Target year  Indicate the year you aim to reach your target.  Description  Provide a description of the target, including information on the following:   * any key performance indicators used to assess progress against defined targets; * the methodology used to calculate the targets (ensure. Ensure that the target denominator is included); * any anticipated regulatory requirements, market constraints or other goals that may inform the targets;   If relevant, indicate any weaknesses or limitations with the target and/or its methodology that have been identified. The PRI acknowledges that more industry work is needed on metrics. It is for this reason that the indicator provides the opportunity to report on several metrics and to give further context on each metric.  To find out more on how your peers have responded on this practice, view our analysis and visualisation in the [**climate change interactive snapshot report**](https://app.powerbi.com/view?r=eyJrIjoiYzc4YmQwMTItZmRhNC00MzY4LWI0ODYtZDE3OTcwYTk4ZDNiIiwidCI6ImZiYzI1NzBkLWE5OGYtNDFmMS1hOGFkLTEyYjEzMWJkOTNlOCIsImMiOjh9) available on the Data Portal and the PRI website. | |
| **SG 14.8 CC** | Describe how your organisation’s processes for identifying, assessing and managing climate-related risks are integrated into overall risk management systems. You may include details on the following:   * how the significance of climate-related risks in relation to other risks is determined * whether the issue of materiality has been assessed in relation to identified climate-related risks. * Whether existing and emerging regulatory requirements related to climate change are considered. * a description of the processes used for assessing the potential size and scope of identified climate-related risks * definitions of risk terminology used, or references to existing risk classification frameworks used * how decisions to mitigate, transfer, accept and/or control climate-related risks are made in managing processes * How the issue of materiality has been assessed and informed | |
| **SG 14.9 CC** | Describe any engagement activities with investee companies that aim to encourage better disclosure and practices that relate to climate-related risks, with the goal of improving data availability and enabling an enhanced ability to access and assess climate-related risks.  **Investment Managers**  You may wish to include a description of how material climate-related risks for each product or investment strategy are identified and assessed.  To find out more on how your peers have responded on this practice, view our analysis and visualisation in the [**climate change interactive snapshot repor**t](https://app.powerbi.com/view?r=eyJrIjoiYzc4YmQwMTItZmRhNC00MzY4LWI0ODYtZDE3OTcwYTk4ZDNiIiwidCI6ImZiYzI1NzBkLWE5OGYtNDFmMS1hOGFkLTEyYjEzMWJkOTNlOCIsImMiOjh9) available on the Data Portal and the PRI website. | |
| **LOGIC** | | |
| **SG 14** | [SG 14.6 CC] will be applicable if at least one of the following options is selected in [SG 14.3];  • Climate-related targets  • Weighted average carbon intensity  • Carbon footprint  • Portfolio carbon footprint  • Total carbon emissions  • Carbon intensity  • Exposure to carbon-related assets  • Other emissions metrics  [SG 14.7 CC] will be applicable if “Climate-related targets” is reported in [SG 14.3].  [SG 14.9 CC] will be applicable if listed equity or fixed income assets are reported in [OO 05.1]. | |