



# CLIMATE TRANSPARENCY REPORT 2020

VIA AM

# 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/-BE979C14-3C97-4516-833B-8FFBB6EDCC88/79894dbc337a40828d895f9402aa63de/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	-					
SG 13.5 CC	-					
SG 13.6 CC	-					
SG 13.7 CC	-					
SG 13.8 CC	-					
SG 14.1	✓	Private				
SG 14.2	✓	Private				
SG 14.3	✓	Private				
SG 14.6 CC	-	Private				
SG 14.7 CC	-	Private				
SG 14.8 CC	✓	Private				
SG 14.9 CC	✓	Private				
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	
<b>Name</b>	VIA AM
<b>Signatory Category</b>	Mixed Services
<b>Signatory Type</b>	n/a
<b>Size</b>	US\$ 0.1 - 0.99 billion AUM
<b>Main Asset Class</b>	>50% Listed Equity Internally Managed
<b>Signed PRI Initiative</b>	2019
<b>Region</b>	Europe
<b>Country</b>	France
<b>Disclosure of Voluntary Indicators</b>	33% from 38 Voluntary indicators

VIA AM

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 01.6	Additional information [Optional].
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All information relating to ESG elements presented in the previous section is included in the annual reports published by the companies.

VIA AM teams receive from an external data provider every day all of these factors in electronic format. This information is integrated into the accounting normalization process, the objective of which is to reconstruct economic financial statements, taking into account all of the assets and all of the liabilities.

The valuation and profitability metrics used in VIA AM's stock selection models therefore continuously reflect the objective ESG performance of the companies covered. Thus, a company having provisioned significant amounts in environmental matters, for example, will appear mechanically more expensive, all other things being equal, than a company which has not made provisions. It will therefore be penalized in the reading grid used in the investment process and cannot be selected in the VIA AM portfolios, built according to a "best-in-class" approach. This preserves a true ESG dimension in the portfolios for which VIA AM acts as Investment Manager.

The adjustments operated automatically within the normalization process are in themselves a way of responding to financial governance issues: by reconstituting an "economic" vision of business accounting, VIA AM analyzes, moderates, even corrects the way certain data is processed through accounting. Indeed, and without even considering potential accounting anomalies or fraud, accounting has its own language which can sometimes be far removed from its economic reality. In other words: what is fair in accounting can turn out to be out of economic reality and must therefore be corrected.

Among these adjustments, VIA AM offers to detail four of them below. These ESG restatements relate to specific elements taken into account in the calculation of the liabilities of companies in the management company's database (therefore having an impact on output metrics and selection).

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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Environment dimension: VIA AM consider information, including off-balance sheet items, relating to asbestos, nuclear dismantling, water, air and ground pollution;

The valuation and profitability metrics used in VIA AM stock selection models therefore continuously reflect the objective ESG performance of the companies covered. Thus, a company having provisioned significant amounts in environmental matters, for example, will appear mechanically more expensive, all other things being equal, than a company which has not made provisions. It will therefore be penalized in the reading grid used in the investment process and will not be selected in VIA AM portfolios built according to a "best-in-class" approach. This preserves a true ESG dimension in the portfolios for which VIA AM act as Investment Manager.

The adjustments operated automatically within the normalization process are in themselves a way of responding to financial governance issues: by reconstituting an "economic" vision of business accounting,

VIA AM analyse, moderate, even correct the way certain data are processed through traditional accounting.

Indeed, and without even considering potential accounting anomalies or fraud, accounting has its own language which can sometimes stand far away from economic reality. In other words: what is fair in accounting can turn out to be out of economic reality and must therefore be corrected.

For the SRI fund in partnership with BFT-IM the following parameters are considered: Energy consumption and greenhouse gas emissions, protection of biodiversity and water for the environmental dimension.

No

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

	Describe the associated timescales linked to these risks and opportunities.
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Four examples of such adjustments can be found thereafter. These ESG restatements relate to specific elements reincorporated in the calculation of companies' liabilities (therefore having an impact on output metrics and selection).

Adjustment of environmental provisions

Ex: The American company Exxon Mobil, specialized in oil and gas, declared in its annual report for the year 2017 a provision of 872 million dollars to prevent the impacts of its activities on "air, water and soil".

Exxon Mobil - impact of taking ESG obligations into account in the Full Enterprise Value (year 2020):

2020 Economic Price-to-Earnings Ratio (PER) before adjustment: 33.1x

2020 Economic Price-to-Earnings Ratio (PER) after adjustment: 38.3x (16% more expensive)

Adjustment of provisions related to nuclear dismantling

Ex: The German company RWE, which acts in the production of electricity, declared in its annual report for the year 2017 a provision of 6.1 billion euros corresponding to the current and final storage of radioactive waste related to its nuclear activities. These provisions are framed by a clear legal framework and fluctuate from year to year (depending on the rate of decommissioning of the plants).

RWE - impact of taking ESG obligations into account in the Full Enterprise Value (year 2020):

2020 Economic Price-to-Earnings Ratio (PER) before adjustment: 10.7x

2020 Economic Price-to-Earnings Ratio (PER) after adjustment: 22.8x (113% more expensive)

No

<b>SG 01.8 CC</b>	Indicate whether the organisation publicly supports the TCFD?
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Yes

No

	Explain the rationale
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In accordance with Article 173, investors are informed that VIA AM incorporate environmental, social and governance quality criteria (ESG) into their investment strategies.

**Pursuant to Article 173, VIA AM are not required to publish a specific annual report giving details of how the ESG information is to be taken into account by fund as each fund has an outstanding amount of less than EUR 500 million.**

However, even if it has not yet been implemented, VIA AM are currently analyzing several solutions offered by data providers. The aim will be to recover specific data on CO2 emissions (and in particular NET CO2 emissions) of the companies in which VIA AM have important exposure.

**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
- No

Describe how and over what time frame the organisation will implement an organisation-wide strategy that manages climate-related risks and opportunities.

VIA AM will comply with Article 173 of the French law as soon as one of its fund reaches an outstanding amount of EUR 500m.

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