



CLIMATE TRANSPARENCY REPORT 2020

INARCASSA

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/-D2B8879C-CA6B-4C94-A92D-D9EA1C0895C2/79894dbc337a40828d895f9402aa63de/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	✓	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	INARCASSA
Signatory Category	Non-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	2017
Region	Europe
Country	Italy
Disclosure of Voluntary Indicators	19% from 38 Voluntary indicators

INARCASSA

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
 No

Describe why your organisation has not yet gone through a process to identify transition and physical climate-related risks and opportunities.

The process of integrating environmental aspects has only recently started for Inarcassa, for this reason actually it does not currently exist physical climate-related risks. Moreover, due to the characteristics of the institution, we do not have such a significant transition and physical climate-related risks that we have to take measures in these terms. We have certainly renewed some processes with a view to optimizing the impact on the environment (e.g. reduction of printed paper, reduction of plastic bottles, improvement and maintenance of air conditioning systems ...)

SG 01.8 CC Indicate whether the organisation publicly supports the TCFD?

- Yes
 No

Explain the rationale

At the moment we have not implemented public support to the "Task Force on Climate-related Financial Disclosures" we have taken note of the document relating to the guidelines outlined by the SASB standards and the CDSB Framework to improve the financial information relating to the climate in reporting. In the document, TCFD Implementation Guide, after an overview of the key actions necessary for effective climate disclosure, good practices are listed which concern the four fundamental elements in the TCFD recommendations: governance, strategy, risk management, metrics & targets. Starting from hypothetical cases of companies belonging to different sectors, the guide describes in detail the paths to follow in each of the four areas. For example, with respect to the ways in which the CDA considers climate issues within the strategy, in the management action plans and in risk management, precise indications are provided on the basis of the CDSB framework and the most standard SASB metrics are indicated. relevant.

**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.

No at the moment there is no organization-level strategy to identify and manage the risks and material opportunities linked to the climate.

**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

Investment analysts

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

Dedicated responsible investment staff

- 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 07.8 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
- 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
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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

The Risk Manager supports the Finance Department in the proposal to the Board of Asset Allocations Efficient strategies, consistent with the institutional objectives and compatible with the consistency and structure of the assets; on a monthly basis it sends a market scenario to support investment decisions.

- 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 13.2 Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 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
- 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 14.5

Additional information [Optional]

Evaluation of Carbon Footprint & Energy Transition Strategy of total assets

SG 14 CC	Voluntary	Public		General
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	Metric Methodology
Weighted average carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	This metric expresses the portfolio's exposure to carbon-intensive companies. It can be applied across asset classes since it does not rely on the ownership approach.	t CO2eq/€M revenue	Scope 1 and Scope 2 GHG emissions are allocated based on portfolio weights (the current value of the investment relative to the current portfolio value). $\sum \text{weight in portfolio} * (\text{CF} / \text{revenue}) = \text{t CO2eq}/\text{€M revenue}$
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	monitor	t CO2 eq.	
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	It represents the normalized emissions of a portfolio per million euro invested. In other words, it shows the carbon footprint of each million of euro invested.	t CO2eq/€M	For Equity portfolio Scope 1 and Scope 2 GHG emissions are allocated using the equity ownership approach. For Bond portfolio emissions are allocated to the total issuer's outstanding debt (emissions are allocated to lenders) - the ownership approach is applied but from the debt/lender perspective. $\sum (\text{M€ invested} / \text{Total Assets}) * \text{CF} / \text{Total portfolio investment} = \text{t CO2eq}/\text{€M}$

Total carbon emissions	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	<p>The absolute greenhouse gas emissions associated with a portfolio, expressed in tons CO₂e.</p> <p>It is used to communicate the carbon footprint of a portfolio, to track changes in GHG emissions in the portfolio and for portfolio decomposition and attribution analysis.</p>	t CO ₂ eq.	<p>For Equity portfolio Scope 1 and Scope 2 GHG emissions are allocated using the equity ownership approach.</p> <p>For Bond portfolio emissions are allocated to the total issuer's outstanding debt (emissions are allocated to lenders) - the ownership approach is applied but from the debt/lender perspective.</p> $\sum(\text{M€ invested} / \text{Total Assets}) * \text{CF} = \text{t CO}_2\text{eq}$
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Assessment of the exposure in fossil fuel activities such as tar sands and oil shale, coal mining, coal fuelled powered generation etc.	% of investments	<p>This metric focuses on a portfolio's exposure to sectors and industries considered the most GHG emissions intensive</p> $\left(\frac{\sum \text{current value of investments in companies with fossil fuel exposure}}{\text{current value of the portfolio}} \right) * 100$
Other emissions metrics	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	This measure represents the absolute emissions of the average company financed by the investor	t CO ₂ eq	<p>Scope 1 and Scope 2 GHG emissions are allocated based on portfolio weights.</p> $\sum \text{weight in portfolio} * \text{CF} = \text{t CO}_2\text{eq}$

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
- Processes for climate-related risks are not integrated into overall risk management

Please describe

It is still not integrated but we are looking for it in the next futures

**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
- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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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.

%

3.4

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

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

0.73

- Fixed income - Corporate (financial)

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

0.87

- Fixed income - Corporate (non-financial)

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

0.02

- Fixed income - Securitised
- Private equity

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

0.01

- Property
- Infrastructure

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

0.13

- Commodities
- Hedge funds
- Forestry
- Farmland
- Cash

Brief description and measures of investment

In the renewable energy field there are two private debt funds, one private equity fund and several green bonds

- Green buildings

Asset class invested

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

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

1.11

- Infrastructure
- Commodities
- Hedge funds
- Forestry
- Farmland
- Cash

Brief description and measures of investment

Inarcassa has subscribed different funds that have a GRESB certification (GRESB assesses the sustainability performance of real estate and infrastructure portfolios and assets worldwide). Gresb Assessments are guided by what investors and the industry consider to be material issues in the sustainability performance of real asset investments and are aligned with international reporting frameworks such as GRI and PRI.

Sustainable forestry

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Commodities
- Hedge funds
- Forestry

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

0.12

- Farmland
- Cash

Brief description and measures of investment

the portfolio includes a fund that aims to acquire, manage and enhance forest assets. In particular, the fund aims to offer investments in plantations and forests, especially in North America, to European institutional investors interested in diversifying their portfolio through alternative products with bond characteristics.

Sustainable agriculture

Asset class invested

- Listed equity

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

0.2

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

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

0.05

- Property
- Infrastructure
- Commodities
- Hedge funds
- Forestry
- Farmland
- Cash

Brief description and measures of investment

The portfolio includes the first Italian private equity fund dedicated to investments in companies in the agricultural sector, located in Italy and operating in an eco-sustainable way. An investment in the area with a direct impact on the real economy of Italy.

- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

No