



# CLIMATE TRANSPARENCY REPORT 2020

Trecento

# 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/-FAC48827-7AD0-4C01-B19B-BB25A0245C44/79894dbc337a40828d895f9402aa63de/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	✓	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 14.6 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	
<b>Name</b>	Trecento
<b>Signatory Category</b>	Fund Management - Majority
<b>Signatory Type</b>	Investment Manager
<b>Size</b>	US\$ 0.1 - 0.99 billion AUM
<b>Main Asset Class</b>	>50% Private Equity Internally Managed
<b>Signed PRI Initiative</b>	2015
<b>Region</b>	Europe
<b>Country</b>	France
<b>Disclosure of Voluntary Indicators</b>	89% from 38 Voluntary indicators

# Trecento

## 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 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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As a long term investor, incorporating climate-related risks is critical to support the Paris Agreements and its long-term temperature goal to keep the increase in global average temperature to well below 2 °C above pre-industrial levels; and to pursue efforts to limit the increase to 1.5 °C. All economic stakeholders must commit or strengthen their energy transition to substantially reduce their greenhouse gas emissions and thus mitigate the risks and impacts of climate change.

Asset management companies, on investors' behalf, have a key role to play in this effort to influence the environmental behaviour and strategic decisions of the issuers of which they hold financial securities.

Climate-related risks and opportunities are assessed by Trecento AM in the Environmental pillar of the ESG analysis that we perform on each issuer, depending on its sector & sub-sectors that influence the number of specific environmental risks that we analyse. The incorporation of the climate risk is therefore ubiquitous in the SRI strategy of Trecento AM since we :

- internally analyse issuers' strategy as regards environment and climate as well as the risks and opportunities of their activities on the environment ;

- also use external environmental analysis, including the RobecoSAM score for which the environmental criteria represents roughly 30% of the score.

The climate-related risk is also incorporated in our normative exclusion policy as we exclude issuers that have demonstrated strong violations of the principles set at the Rio Earth Summit. We also list all environmental controversies that arose for an issuer, in particular as regard climate change, and these controversies result in a penalty affecting the maximum weighting of an issuer in our investment funds.

In conclusion, the climate-related risks and opportunities are factored into the investments strategies at every step of our extra-financial analysis and fund management.

No

SG 01.7 CC	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.

We reckon that these climate-related risks and opportunities can materialise at any time, depending on their nature and type. We therefore assess them on the short, medium and long term.

No

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

Yes

No

**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

As we have been implemented a comprehensive RI strategy over the course of 2019 and 2020, we are currently drafting a specific report to disclose our organisation-wide strategy regarding climate-related risks and opportunities. Some of our thinking and actions are already disclosed in other documents like our SRI Transparency Code or ESG criteria incorporation policy.

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

specify

We release our strategy and disclosures regarding ESG and climate risks according to Article 173 of French Law on Energy Transition on our website.

We currently do not publish TCFD disclosures

**Governance and human resources**

<b>SG 07 CC</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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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.

**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

**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

**Dedicated responsible investment staff**

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

**SG 07.7  
CC** For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

The CEO and CIO of Trecento AM are members of the ESG committee that implements and monitors the responsible investment policies of the management company. Part of the role of the ESG committee is to assess the type of environmental data and indicators that will be analysed in the issuers' ESG model, based on the organisation-wide strategy regarding the climate change and the energy transition.

**ESG issues in asset allocation**

<b>SG 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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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**

Our ESG analysis models need to be updated on a regular basis, to incorporate new and modified criteria that further support the robustness and relevance of our extra-financial analysis. Our analysts have the key role here to detect new ESG criteria and make suggestions to the ESG committee.

- Yes, in order to assess future climate-related risks and opportunities



Describe

The Environmental analysis conducted on each issuer includes the assessment of climate-related risks and opportunities. The criteria, model and indicators used need to be updated on a regular basis and analysts also have the key role here to detect new climate criteria and make suggestions to the ESG committee.

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 have implemented a sectoral exclusion policy and we apply a best-in-class policy for the non excluded sectors.

We do not consider ESG issues in strategic asset allocation

<b>SG 13 CC</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**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

For the initial assessment, we are worked based on the assumptions of the Paris agreements, which is often the scenario also used by issuers to assess and implement their climate-related policy and actions. We then identify and select the specific climate-related risks and opportunities of each sector & sub-sector amongst the 18 criteria that we focus on for the Environmental analysis on each issuer.

The scenario, criteria and indicators chosen during the initial assessment need to be updated on a regular basis. Our analysts also the key role here to detect new climate criteria and make suggestions to the ESG committee.

Incorporation into investment analysis

Describe

Our investment process always includes issuers' ESG analysis. The Environmental part of this ESG analysis includes the assessment of their environmental and climate policy as well as the climate-related risks and opportunities of their activities.

The principal criteria assessed is obviously the existence of an environmental policy as regard global warming and the existence of programs or initiatives to help reduce global emissions of the Greenhouse Gases (GHG) that cause climate change through its ongoing operations and/or the use of its products and services.

More broadly, depending on the characteristics of each sector/sub-sector, the following other environmental criteria (often linked to climate risks) are also analysed and assessed:

- Characteristics of the electricity consumed and percentage coming from renewable energy sources (e.g. on-site production, grid renewable electricity, etc.).

- Existence of an energy efficiency policy and associated action plan (like ISO 50001), of environmental certifications (such as ENERGY STAR) and implementations of indicators to monitor the energy consumption.
- Product development according to the concept of eco-design (respect of the ecosystem) or circular economy approach (recyclability of products).
- Implementation of measures in order to manage water use efficiently in areas of high water stress and optimize water consumption (installation of water meters, rain harvesting, close-loop systems, alternative sources for process water, etc.). Existence of performance indicators with regard to water consumption.
- Equipment of production plants with wastewater treatment plants or systems.
- Equipment of production plants with air filtration systems
- Monitoring by the company of performance indicators with regard to level of air emissions.

Inform active ownership

Describe

As we engage with issuers on ESG issues all year round, discussing climate-related risks is a key focus, to better understand issuers' policy and actions and promote new actions for the issuers to seize opportunities to further reduce their emissions and better improve their environmental/climate policies.

Other

specify

Sectoral exclusion policy of the most controversial sectors.

Describe

We have excluded some sectors that massively contribute to global warming like Coal, Oil Sands and Oil Shales.

**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 your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

Yes

Describe

As a long-term investor, evaluating and incorporating climate-related risks is critical to support the Paris Agreements and its long-term temperature goal to keep the increase in global average temperature to well below 2 °C above pre-industrial levels; and to pursue efforts to limit the increase to 1.5 °C. We reckon that these climate-related risks and opportunities can materialise at any time, depending on their nature and type. We therefore assess them on the short, medium and long term.

It means that we are evaluating the potential impact of climate-related risks on our investment strategy beyond the usual investment time horizon of our funds.

No

**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.

<b>Provider</b>	<b>Scenario used</b>
IEA	<input checked="" 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 type="checkbox"/> Other (1)
Other	<input type="checkbox"/> Other (2)
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
- 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]

Trecento AM manages two thematic funds that are Trecento Santé (Trecento Healthcare) and Trecento Robotique (Trecento Robotics).

These two funds have the objective to invest in companies that find solutions by innovating and developing new technologies (on their respective investment universe) to address key long term trends like the increase and ageing of the population and the resource scarcity. They also incorporate climate-related risks and opportunities as part of their SRI strategy.

SG 14 CC	Voluntary	Public		General
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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.
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Processes for climate-related risks are integrated into overall risk management

	Please describe
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Assessing ESG risks, including climate-related risks, is a crucial process in the overall risk management of the company as regard investment selection.

Climate-related risks and opportunities are assessed by Trecento AM in the Environmental pillar of the ESG analysis that we perform on each issuer, depending on its sector & sub-sectors that influence the number of specific environmental risks that we analyse. The incorporation of the climate risk is therefore ubiquitous in the SRI strategy of Trecento AM since we :

- internally analyse issuers' strategy as regards environment and climate as well as the risks and opportunities of their activities on the environment ;

- also use external environmental analysis, including the RobecoSAM score for which the environmental criteria represents roughly 30% of the score.

The climate-related risk is also incorporated in our normative exclusion policy as we exclude issuers that have demonstrated strong violations of the principles set at the Rio Earth Summit. We also list all environmental controversies that arose for an issuer, in particular as regard climate change, and these controversies result in a penalty affecting the maximum weighting of an issuer in our investment funds.

In conclusion, the climate-related risks and opportunities are factored into the investments strategies at every step of our extra-financial analysis and fund management.

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

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.
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Yes

	Please describe
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As we engage with issuers on ESG issues all year round, one of our key priorities is to encourage issuers to be more transparent regarding ESG incorporation and Corporate Social Responsibility as well as to release their approach and policies as regard CSR and extra-financial performance (KPI).

As regard climate-related risks, the disclosures recommended by the TCFD are very relevant and useful for all investors so we encourage issuers we engage with to adopt them.

This engagement policy applies to all issuers whose securities are held by our investment funds as well as the issuers of the investment universes of our funds that may be included in our funds following a fundamental and extra-financial analysis.

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.

%

92

**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)

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

100

- Fixed income - Securitised  
 Private equity

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

89

- Cash

Brief description and measures of investment

100% of our fixed income non financial corporate securities are dedicated to the financing of solar and wind farms as well as the production of green hydrogen.

89% of our private equity holdings are in companies involved in the production of green energy (solar and wind farms) and of green hydroge

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

#### Asset class invested

- Listed equity

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

88

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

#### Brief description and measures of investment

The listed equity holdings we manage in the healthcare sector are invested through our two thematic funds: Trecento Sante ISR (100% invested in global healthcare stocks) and Trecento Robotique ISR (26% invested in the healthcare sector).

- Water
- Other area, specify
- No