



CLIMATE TRANSPARENCY REPORT 2020

Triton Investment Management Limited (TIML)

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/-7465B817-D01A-4CFB-B0C1-EAF7BAD27A5C/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	Triton Investment Management Limited (TIML)
Signatory Category	Fund of funds, manager of managers, sub-advised products - Majority
Signatory Type	Investment Manager
Size	US\$ 10 - 29.99 billion AUM
Main Asset Class	>50% Private Equity Internally Managed
Signed PRI Initiative	2012
Region	Europe
Country	Jersey
Disclosure of Voluntary Indicators	26% from 38 Voluntary indicators

Triton Investment Management Limited (TIML)

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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Triton invests in companies in the industrials, business services, consumer and health sectors. As such, some of the specific climate-related risks and opportunities we have identified include:

Physical risks

- Increased frequency and severity of weather events could result in reduced production capacity and interruptions to supply chains

Transition risks

- Increased pricing of GHG emissions could increase operating costs, particularly in our industrials companies
- Substitution of existing products and services for 'greener' or lower-impact options could reduce revenue if our companies do not evolve; and
- Lack of alignment between our companies' customers and the low carbon transition could a) impact our customers' long-term commercial viability, which would then b) reduce demand for our companies' products and services, particularly in our business services companies

Opportunities

- Resource efficiency in areas such as energy and water reduces our companies' production costs
- Promotion of circular economy practices can reduce costs and create competitive advantage, particularly in our consumer companies
- Use of lower-emissions sources of energy and technology e.g. renewable energy, electric vehicles reduces exposure to increasing costs of carbon; and
- Development of lower emission products and services can meet growing consumer and customer preferences, thus create competitive advantage and increase revenues

Consideration of climate-related risks and opportunities is embedded into Triton's wider ESG approach. Here, material ESG issues (including climate-related risks and opportunities where relevant) are evaluated pre-acquisition by the ESG team and external ESG due diligence providers where appropriate. This evaluation is included into investment recommendations where appropriate. Where Triton has majority control of a company, it will launch and implement an ESG programme, including management of climate-related risks and opportunities. As part of the exit process, Triton includes an assessment of a company's exposure to transition risk as part of vendor due diligence where relevant.

Triton's focus in 2019 has been to raise awareness of climate change and integrate its consideration more

rigorously across our portfolio and investment processes. As part of this, Triton ran a dedicated session on climate-related risks and opportunities at its annual ESG Forum (which is attended by portfolio company representatives responsible for the ESG agenda). The ESG team also incorporated climate change into its training materials for personnel. It also supported each PC to conduct an assessment of relevant climate-related risks and opportunities and the extent to which these are currently being managed.

No

**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.

In 2019, Triton supported each PC to conduct an assessment of relevant climate-related risks and opportunities and the extent to which these are currently being managed. This included assessing the likelihood and impact of each risk and opportunity. Given the diversity of companies in Triton's portfolio, the timescales linked to these risks and opportunities vary. Some examples of risks and opportunities and associated timeframes are provided below:

Current

- Changes in precipitation patterns causing increased flood risk in manufacturing facilities
- Increased severity of extreme weather events impacting a warehouse's ability to receive and deliver products
- Increased costs of raw materials due to changes in energy input prices

Short term

- Increased use of recycling through sale of reject material to other industries
- Enhanced emissions and environmental reporting obligations
- Rising temperatures resulting in higher labour costs due to need for more breaks in production

Medium term

- Increased costs of transitioning fleet and upgrading site infrastructure to support electric vehicles
- Potential mandates on and regulation of existing products and services, particularly in industrials companies
- Increased use of recycling from scrap material in the production process

Long term

- Potential shift towards decentralised energy generation reducing demand for certain product lines
- Increased supplier costs passed onto business arising from climate-related disruption and investment in resilience
- Increased costs of transitioning service offering to customers operating greener business models

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

Triton's strategy considers climate-related risks and opportunities as part of our wider ESG approach. Here, material ESG issues (including climate-related risks and opportunities where relevant) are evaluated pre-acquisition by our ESG team and external ESG due diligence providers where appropriate. This evaluation is included into the investment recommendations. Where we have majority control of a company, we will launch and implement an ESG programme, including management of climate-related risks and opportunities. As part of our exit process, we have recently begun to include an assessment of a company's exposure to transition risk as part of vendor due diligence where relevant.

A key focus for 2020 will be to follow up on the PC climate-related risk and opportunity assessments. This will include:

- requiring PCs to get their assessment reviewed at Board;
- consolidating the company assessments at a portfolio-level to identify potential hotspots of risk or opportunity; and
- repeating a TCFD analysis of Triton's internal processes to identify improvements made and ongoing gaps in management.

No

**SG 1.10
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC

Mandatory to Report Voluntary to Disclose

Public

Descriptive

General

**SG 07.5
CC**

Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

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

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

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

Other Chief-level staff or heads of departments

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

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 07.6
CC** For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

Consideration of climate-related issues is integrated into Triton's overall ESG approach. The IAC, TIML and the relevant General Partner Board are responsible for our overall commitment to being responsible investors (including how we consider climate-related issues) and have delegated this responsibility to the CFO/COO.

After discussion with the ESG Team, ESG issues, including climate-related issues, are raised by the investment team with the IAC and TIML Board. Where appropriate, the ESG Team attends relevant IAC meetings. In addition, the ESG due diligence forms part of the Preliminary Investment Recommendation which is submitted to the IAC. The IAC will provide its recommendation to Triton Investment Advisors LLP ("TIA LLP") who will refer the investment opportunity, along with its advice, to TIML who will then make a final decision on the opportunity. Where relevant, this includes a summary of material ESG considerations, including climate-related issues. In the processes described, climate-related issues are assessed from a financial materiality perspective alongside other ESG risks where appropriate.

The IAC receive regular updates from the Head of ESG and Legal Counsel Portfolio Governance on Triton's portfolio company ESG programme, including management of climate-related risks and opportunities where appropriate.

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
- 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 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 description (1)

Changes in law and regulation

- 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

other description

Avoided acquisitions related to carbon intensive sectors or sectors exposed to the low carbon transition

- 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]

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
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To identify priority areas for action	tonnes of CO2 equivalent	
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To understand portfolio changes in carbon exposure and to report to investors	tonnes of CO2 equivalent	
Total carbon emissions	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To understand portfolio changes in carbon exposure and to report to investors	tonnes of CO2 equivalent	
Carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To understand environmental efficiency across the portfolio and identify priority areas for action	tonnes of CO2 equivalent per euro of revenue or unit of output	

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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Climate-related risks are integrated into Triton's overall ESG risk management process. Prior to acquisition, prospective investee companies are screened for ESG concerns, including their exposure to climate-related risks. This is based on both third-party information providers and external risk classification frameworks such as SASB and EBRD, and the professional judgment of Triton's ESG team. Where appropriate, detailed ESG due diligence is conducted and can include an assessment of climate-related risks where relevant, including existing and emerging regulatory requirements related to climate change. Any key ESG issues raised, including climate-related risks, are evaluated as part of the preliminary investment recommendation.

Climate-related risks are assessed and monitored on an ongoing basis through our discussions with portfolio companies (including monthly portfolio calls, periodic (at least bi-annual) review calls, and annual face-to-face visits) and biannual ESG reporting by portfolio companies to Triton. These interactions also provide Triton with the opportunity to engage with portfolio companies to manage climate-related risks where relevant.

- 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

Triton engages with its portfolio companies to promote the management of climate-related risks and opportunities aligned to the TCFD Recommendations. In 2019, the ESG team ran an interactive session dedicated to climate change at its ESG Forum. This session included training on different climate-related risks and opportunities and the TCFD Recommendations. Following the ESG Forum, the ESG team supported portfolio companies to conduct their own assessment of climate-related risks and opportunities using the TCFD as a framework.

- 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.
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- Yes
- No