



# CLIMATE TRANSPARENCY REPORT 2020

Summa Equity

# 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/-55E26C14-BC3B-40A8-B1EF-403B847D15C2/79894dbc337a40828d895f9402aa63de/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	✓	Private				
SG 14.2	✓	Private				
SG 14.3	✓	Private				
SG 14.6 CC	✓	Public				
SG 14.7 CC	✓	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	-	Public				
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>	Summa Equity
<b>Signatory Category</b>	Fund Management - Majority
<b>Signatory Type</b>	Investment Manager
<b>Size</b>	US\$ 1 - 4.99 billion AUM
<b>Main Asset Class</b>	>50% Private Equity Internally Managed
<b>Signed PRI Initiative</b>	2016
<b>Region</b>	Europe
<b>Country</b>	Sweden
<b>Disclosure of Voluntary Indicators</b>	14% from 38 Voluntary indicators

# Summa Equity

## 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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Please refer to our Portfolio Report reports for an overview of how ESG is integrated in Summa's portfolio monitoring and management: <https://summaequity.com/wp-content/uploads/2019/09/SE-Report-2018-ARTWORK-02-Digital.pdf>

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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Summa's investment strategy is derived from the investment opportunities that the SDGs entail. As such, we target companies that meet the requirements of the future sustainable economy, including from a climate perspective. Within our themes Changing Demographics and Tech Enabled Solutions, the companies that we target and have in our portfolio have limited physical supply chains, low carbon intensity business models and highly limited direct physical climate-related risk. Our third investment theme, Resource Efficiency, focus on companies that contribute with solutions that decrease climate change, such as energy efficiency solutions for buildings and waste management & recycling. These companies tend to also have a larger physical supply chain and corresponding footprint than our other themes, as well as exposure to larger physical climate-related risk.

Across all our companies we measure carbon footprint in scope 1,2 and 3 as well as environmental footprint. These two dimensions we have assessed as important to track from a transition risk perspective, to enable assessment of impact of e.g. evolving EU regulations. Physical risks are more specific to each company and their business model. They are when material assessed as part of the investment process as well as integrated into the board cycle through focus on ESG risks.

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 have yet to conduct a comprehensive analysis across the TCFD risk dimensions for Summa's total portfolio. Given our targeted investment strategy we do however assess that we have limited exposure to transition and physical climate-related risks, due to the nature of our portfolio. As per above, what we do to date is:

- Assess material ESG risks including physical climate-related risks during our investment process, this is embedded in our investment assessment algorithm
- Track carbon and environmental footprint for all portfolio companies, to enable Summa and each company to determine material areas to work on, as well as in some cases the position vs. emerging regulations such as the EU taxonomy
- Integrate ESG risks in the Via Summa Board cycle, to ensure focus on material risks for each company

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

This is an evolving area in Summa and we are assessing how to further articulate our strategy and targets in this area. What we do in this area today includes:

- Investment strategy focused on companies with little climate-related exposure (in Changing Demographics and Tech Enabled) and/ or companies that capture the business opportunities that climate change entails through providing services that decrease the carbon intensity of our society. E.g. energy efficiency solutions, waste management and low carbon intensity high quality protein (salmon)
- Assessment of ESG including material climate-risks as part of our investment process
- Tracking of carbon and environmental footprint and related performance dialogues with our companies

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

Portfolio managers

- 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.

Boards responsibility: Oversight of climate-related risk disclosures, ensure TCFD compliance.

Execution model (being implemented in Q2 2020):

Risk and compliance review twice per year.:

- Sign-off risk assessment (May/ June)



- Half year review to track progress vs. targets and disclosure practices

<b>SG 07.7 CC</b>	For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.
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Leadership responsibility and execution model (being implemented during Q2 2020):

- Climate-related strategy (investment, mitigation) and target setting.
- Accountability for execution incl. TCFD compliance (Summa reporting and PC steering processes)
- Portfolio risk analysis integration in quarterly Portfolio Review
- Climate-related issues managed on an ongoing basis as required, plus two formal check-points:
  - During development of Portfolio Report, review strategy and disclosure practices, as well as scenario analysis (April - May)
  - In Q4: Review mitigation targets incl. climate target setting for the fund/ portfolio companies

## 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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<b>SG 13.1</b>	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.).
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Yes, in order to assess future ESG factors

	Describe
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As an example, we recently carried out a scenario analysis to gauge different possible trajectories of the corona-virus crisis to help our portfolio companies navigate this extraordinary event.

- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

<b>SG 13.2</b>	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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	We do the following
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- 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

<b>SG 14 CC</b>	<b>Voluntary</b>	<b>Public</b>		<b>General</b>
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<b>SG 14.6 CC</b>	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
<b>Climate-related targets</b>	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Follow up portfolio improvement in carbon intensity over time	Reduction in CO2-equivalent metric tons per million SEK revenue	The intensity of emissions from scopes 1,2,3 are measured in terms of company revenue
<b>Carbon footprint (scope 1 and 2)</b>	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Gauge direct impact from operations and indicate exposure to fossil fuels as input.	CO2-equivalent metric tons	Raw data on fuels, electricity and heat are sent to an external party where emission factors are applied according to GHG protocol/GRI or other relevant standards.
<b>Portfolio carbon footprint</b>	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Gauge indirect impact from supply chain and indicate exposure to emission-heavy suppliers.	CO2-equivalent metric tons	Raw data on scopes 1 &2 are sent to external party alongside information on expenditures (Scope 3). Emission factors are estimated by external party.
<b>Total carbon emissions</b>	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Gauge indirect impact from supply chain and indicate exposure to emission-heavy suppliers.	CO2-equivalent metric tons	Raw data on scopes 1 &2 are sent to external party alongside information on expenditures (Scope 3). Emission factors are estimated by external party.
<b>Carbon intensity</b>	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Gauge climate impact relative to income, controlling for growth and company size.	CO2-equivalent metric tons per million SEK revenue	The intensity of emission from scopes 1,2,3 are measured in terms of company revenue
<b>Exposure to carbon-related assets</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			
<b>Other emissions metrics</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			

SG 14.7  
CC

Describe in further detail the key targets.

Targettype	Baseline year	Target year	Description	Attachments
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	2020	2030	Reduce portfolio carbon intensity by 50%	
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				

**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

Assessment of material transition/ regulatory risks alongside physical climate-related risks is incorporated into our investment algorithm, i.e. our assessment of potential investment targets.

We are currently in the processes of building knowledge on TCFD and the EU taxonomy, to further integrate the main elements on climate risk management and sustainable investments into our internal processes.

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