



# CLIMATE TRANSPARENCY REPORT 2020

WAVE Equity Partners

# 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/-B2BAD659-3841-4940-A1CF-43CE0D883079/79894dbc337a40828d895f9402aa63de/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>	WAVE Equity Partners
<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>	2017
<b>Region</b>	North America
<b>Country</b>	United States
<b>Disclosure of Voluntary Indicators</b>	14% from 38 Voluntary indicators

# WAVE Equity Partners

## 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

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

Clean energy, food, water, transportation, clean air and waste reprocessing are essential for resilient and equitable world order. Therefore, WAVE uses 100% of its assets and time in identifying and supporting innovations that help our planet achieve those goals more rapidly, efficiently and cost effectively.

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.

The environmental and societal costs imposed by environmental degradations amount to trillions of dollars. Some of the risks, such as dirty water and air, are already present in various regions, and have been known to cause untimely deaths, diseases, disabilities, and other problems.

WAVE portfolio companies have commercialized products that are cleaner, more efficient and more affordable than competing products. Their superior product and resource efficiencies compel all competing companies to reach for the higher efficiency, gradually spreading the benefits of innovation-led efficiencies to all regions around the world. In that sense, each of our portfolio companies generates a new wave of sustainability that spreads globally.

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
- No

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

WAVE holds portfolio companies for an average of 3-5 years. A key goal during this period is continuous improvement and maturation of the manufacturing processes that yield environmental efficiencies and resiliency. The companies are not using these innovations to manage their own climate risks. Why? Because, in all likelihood, the companies themselves will be acquired by larger global companies and will cease to exist. Hence, their aim is to generate solutions that will be deemed highly desirable for acquisition and implementation by larger global companies.

We will examine the TCFD framework to see if there are any recommendations that are relevant to our strategy and can be implemented prior to starting our Fund III.

**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

**SG 07.6  
CC**

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

Each portfolio company organizes a Board meeting at least once each quarter. The Board meetings discuss the following points pertaining to environmental impact:

- Measures taken to enhance the environmental footprint of their products
- Educating the customers on measures to improve their environmental footprint
- Review of their manufacturing and business operations to ensure compliance of ESG policies
- Potential impact of climate change and related policies on their business operations and profitability

- Survey of emerging market opportunities in light of measures taken by corporate leaders to mitigate climate change

## 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 13.3

Additional information. [OPTIONAL]

Our investments produce positive ESG impact now and in every future scenario. We do not need scenario planning to assess if the companies will produce positive impact or not.

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.

- Processes for climate-related risks are integrated into overall risk management

Please describe

The threat of climate change is considered an opportunity rather than a risk for our portfolio companies. Customers buy products from our companies because they believe they are getting a product that provides all the features they seek such as performance and durability, while reducing the carbon footprint. If the customers did not care for climate change, our businesses would be deemed less attractive.

In other words, these companies are helping others mitigate their carbon footprint and take responsible again that would slow down climate change.

At the time of initial investment, we assess the likelihood of their operations getting hurt by natural calamities like flooding or hurricanes. In any case, we always direct them to create redundancies in supply chain management, manufacturing and distribution to reduce the risk of disruption from natural or political factors.

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