



# CLIMATE TRANSPARENCY REPORT 2020

Nysnø Climate Investments

# 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/-6FA85D2C-1319-4DC5-9AA2-B0CCA413AA05/79894dbc337a40828d895f9402aa63de/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	✓	Private				
SG 14.7 CC	-	Private				
SG 14.8 CC	✓	Private				
SG 14.9 CC	-	Private				
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>	Nysnø Climate Investments
<b>Signatory Category</b>	Reserve - sovereign or government controlled fund
<b>Signatory Type</b>	Asset Owner
<b>Size</b>	US\$ 0 - 0.1 billion AUM
<b>Main Asset Class</b>	Multi-Asset
<b>Signed PRI Initiative</b>	2018
<b>Region</b>	Europe
<b>Country</b>	Norway
<b>Disclosure of Voluntary Indicators</b>	50% from 38 Voluntary indicators

# Nysnø Climate Investments

## 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
-------	-----------	--------	---------------	---------

**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
----------	---	--------	-------------	---------

**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.

Nysnø's investment mandate is to invest in companies and funds that contribute, directly or indirectly, to reducing greenhouse gas emissions. This means that transitional risk is the opposite for our portfolio than for traditional portfolios, meaning that our portfolio will generally benefit from a rapid transition to a zero emission society. The main trans

itional risks identified relate to the phasing in and out of regulatory measures and incentives for low/zero carbon and related businesses.

Nysnø's portfolio companies are as exposed to physical climate risk as companies in general in the same locations. The main identified risks are related to increased periods of heat and higher maximum temperatures, for example reliance on cloud based digital services and underlying datacentres located in areas with rapid warming and ability to conduct outdoor construction in high temperatures.

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.

Nysnø's mandate is set to prioritise low and zero emission solutions. The investment horizon is long-term. Nysnø may invest in transitional technologies, however the main focus is on companies and technologies that will be viable in a carbon neutral society. In addition to general physical climate related risk, the main risk for the portfolio is failure to act on climate change which will delay the deployment and commercialisation of the portfolio companies' business.

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

Climate related business risks are integrated into the company's internal control procedure. Climate related investment risks and opportunities are integrated in the investment strategy. The company performs an annual climate risk evaluation at portfolio and company level which is considered by the Board of Directors and made available to the company's auditor.

- 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

#### 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.

The Board reviews and approves Nysnø's investment policy which is directly linked to climate related issues, specifically the reduction of greenhouse gasses. The Board reviews Nysnø's annual internal control process including risk matrix and climate risk report.

**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 investment managers and CIO take into consideration a company's potential impact on climate change as an integral part of the investment process. The CLCO and Sustainability & Communications Officer support the investment team during the process and logs compliance with the criteria of reducing greenhouse gases, ESG due diligence and other impacts systemised by using the SDGs. The investment committee considers and approves investment cases for submission to the Board, including fulfilment of climate impact and ESG criteria. The investment managers follow up the company and fund developments over time including realisation of impact.



**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

Specify

Request that external investment managers report on climate related impact in regular reporting.

- 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**

**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

Describe

Nysnø uses IPCC scenarios, IEA World Outlook and The Drawdown Project projections to identify climate impact and investment opportunities. Nysnø uses publicly available climate modelling, such as the Climate Change Knowledge Portal, to assess the portfolio's climate risk.

- 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

Our mandate does not contain strategic asset allocation and is geographically restrained.

- We do not consider ESG issues in strategic asset allocation

**SG 13 CC**

**Mandatory to Report Voluntary to Disclose**

**Public**

**Descriptive**

**General**

**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

Using climate scenarios and IPCC projections to identify potential impact investment themes.

Incorporation into investment analysis

Inform active ownership

Other

**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

Nysnø has an evergreen investment mandate with the purpose of reducing greenhouse gas emissions through profitable investments. If sufficient climate action is taken to move to a zero emissions economy where there is a fully functioning commercial and financial market for zero emissions companies, solutions and technology, Nysnø's mission would be achieved. Meanwhile, climate related risks are included in both the investment hypothesis for specific investments and the climate risk evaluation of the portfolio performed annually.

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.

Provider	Scenario used	
IEA	<input 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 checked="" type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input checked="" 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 checked="" type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (1) please specify:</div> SMART PATHS (CREE &SSB)
Other	<input checked="" type="checkbox"/> Other (2)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (2) please specify:</div> Project Drawdown sector scenarios
Other	<input checked="" type="checkbox"/> Other (3)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (3) please specify:</div> IPCC 1.9

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
-------	---	--------	---------------------	-------

**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)

- Public policy
- 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

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM			700	250	000
Currency	NOK				
Assets in USD			76	157	876

Specify the framework or taxonomy used.

All investments must contribute to reducing greenhouse gas emissions, directly or indirectly.

Key verticals:

- Green Energy
- Enabling Technologies
- Resource Efficiency
- Sustainable Demand
- Circular Economy

Key sectors in each vertical:

Green Energy: solar, hydro, wind, marine, geothermal

Enabling Technologies: batteries, hydrogen, digitalisation, smart grids

Resource Efficiency: advanced materials, waste recycling, bio-economy, agri- & aquatech

Sustainable Demand: consumption, sharing economy, mobility, smart cities

Circular Economy: circular business models in all of the above

- 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]

Key emissions reduction KPIs identified upon investment and integrated with financial reporting from portfolio companies, f.ex. number of units sold to show progress towards CO2 reductions by gaining market share.

<b>SG 15</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
--------------	--	---------------	--------------------	--------------

**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.

%

100

**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

**Asset class invested**

- Private equity

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

30

- Cash

**Brief description and measures of investment**

Unlisted equity investment in eSmart Systems. eSmart promotes energy efficiency and enables renewable energy. eSmart Systems' intelligent analytics platform captures, analyzes, visualizes and converts real-time operational data into actionable insights to enable next-generation operational performance.

Unlisted equity investment in sensor company Disruptive Technologies. Disruptive Technologies develops miniature sensors, the size of a post stamp. These sensors have a 15-year battery life and numerous application areas within energy and resource efficiency that can contribute to the reduction of greenhouse gas emissions.

- Renewable energy

**Asset class invested**

- Private equity

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

20

- Cash

**Brief description and measures of investment**

Unlisted equity investment in Otovo, solar panel installation platform. Otovo enables homeowners to get tailor-made, instant quotes for rooftop solar panels, while hosting a marketplace with hundreds of installer companies who algorithmically bid for the projects generated.

Unlisted equity investment in NorSun, monocrystalline silicon wafer producer. NorSun is a Norwegian solar energy company that manufactures and markets high performance monocrystalline silicon ingots and wafers for the global solar energy industry. Dedicated to high efficiency n-type wafers, NorSun is an established supplier to tier-one cell manufacturers.

- Green buildings  
 Sustainable forestry  
 Sustainable agriculture

### Asset class invested

- Private equity
- Cash

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

25

### Brief description and measures of investment

Green bank deposit of 50MNOK dedicated to loans for sustainable vegetable production.

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

No