



CLIMATE TRANSPARENCY REPORT 2020

21 Invest

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/-CC395F93-885E-452E-A91C-28D3C64207C4/79894dbc337a40828d895f9402aa63de/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	21 Invest
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 1 - 4.99 billion AUM
Main Asset Class	>50% Private Equity Internally Managed
Signed PRI Initiative	2009
Region	Europe
Country	Italy
Disclosure of Voluntary Indicators	27% from 38 Voluntary indicators

21 Invest

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 01.6 Additional information [Optional].

Since 2018, 21 Invest has further integrated its sustainable investment approach, evolving from social consciousness and structured sustainability to creating shared value. This evolved perspective was formerly integrated in the Annual Sustainability Report, which is now entitled “Creating Shared Value – Annual Sustainability Report” and provides a broader outlook for the commitment to investing responsibly, looking for opportunities delivering business growth and helping to solve social issues while generating good returns to investors and advancing suppliers, clients, employees and local communities.

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.

21 Invest is constantly updating its internal policies as well as its investment strategy in line with evolving regulations and norms, also in relation to transition and physical climate related risks and opportunities.

During the assessment of an investment opportunity, relevant sustainability issues and their future evolution are carefully investigated through the due diligence process, including those related to climate change and the transition, in order to ensure the business is equipped to face climate-related issues in the short, medium and long term.

During the holding period, the investment team monitors KPIs relevant to sustainability, including those related to environmental and climate related issues.

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 assessment of the importance of climate change of each portfolio company has been measured on each portfolio company self-assessment.

Out of 23 companies 36% have no-impact, 60% have limited impact and 4% have high impact.

Those with high impact carefully monitor the related risks and have implemented an ISO 14001 management system to ensure they are up to date with all relevant environmental legislation.

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

Explain the rationale

21 Invest does not publicly support the TCFD.

21 Invest is aware of the impact that dramatic climate change can generate, therefore it intends to conduct a more in-depth analysis about the TCFD and eventually consider to publicly support the TCFD in the coming years.

**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

21 Invest has implemented a formalized approach to carefully investigate ESG issues, including climate-related risks and opportunities.

The phases in which climate-related risks and opportunities are addressed are:

> **Prior to investment:** through an extensive due diligence process and a sustainability checklist, the investment team evaluates the impact of possible risks or opportunities relating to climate change on the investment. There is also a focus on Carbon emissions when relevant to the business and in France an action plan is initiated for all new investments to comply with the goal to limit global warming to 2 degrees celsius defined in the Paris Agreement.

> **During the holding period:** engaging portfolio companies on the self-disclosure of the potential risk and opportunities that may affect their core business in the ESG monitoring report. In addition, 21 Invest has a person responsible for the risk and management function that yearly provide a synthesis regarding the risks of portfolio companies. The main risk areas to which each portfolio company is exposed (Market Risk, Business Risk, Governance & Social Risk, Legal Compliance & Environmental Risk, Reputational Risk, Operating Leverage Risk, Deal Risk, Covenants Risk, Interest Rate Risk and Debt Leverage Risk) are assessed and reported. In the legal compliance & environmental risks, factors related to climate change are assessed and interpreted through a risk rating. The results are verified and discussed during the Board of Directors and if necessary strategic actions are implemented in order to counter the risks.

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
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Significant environmental risk relevant to portfolio companies are indicated in the Sustainability Report sent to all investors. Feedback is directly provided to portfolio companies

We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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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.
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	Board members or trustees
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- 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
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

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

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

	Dedicated responsible investment staff
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investor relations

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

External managers or service providers

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

Other role, specify (1)

Marketing and communications

- 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.

Typically, 21 Invest portfolios in aggregate are low carbon. As such, we do not expect our products or investment strategy to be significantly affected by the transition to a lower carbon economy. However, in the case in which a portfolio company has a higher climate-related risk, 21 Invest shall verify that more in depth energy consumption and CO2 emission monitoring is carried out to ensure all relevant legislation is respected and environmental best practices are implemented in order to prevent issues related to the transition to a lower carbon economy and protect the company's long term growth.

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

For each potential investment that is submitted to the investment committee for approval, the investment team shall complete a 'Sustainability Checklist' which is attached to the investment memo forming a basis for the investment decision in order to flag up any potential issues, including those related to climate-related risk. In the case that any relevant climate related issues are flagged, the investment committee would weigh the risk versus the benefits before approving the investment decision.

The investment team reporting to the Board of Directors would then ensure that those companies which face climate-related issues have continuous mitigation and improvement plans in place. In particular, if CO2 emissions are relevant, in accordance with the laws in force locally and our commitment to the IC International in France, we carry out a carbon audit of the acquired company in order to define the priority actions to reduce its carbon emissions during the holding period to respect the Paris Agreement's objective of limiting global warming to well-below 2 degrees Celsius.

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

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)

Biodiversity

- 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

Investments are not pursued in sectors with a high climate-related risk

- 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]

Further, the Due Diligence ESG for DL Software, ProductLife Group and LV Overseas included Carbon footprint (scope 1,2 and 3), which is compliant with 21 Invest France engagement in the IC International.. We have undertaken to (i) measure the carbon footprint of all investments from 21CPV fund and beyond, (ii) promote the Initiative Carbon International (previously IC20) to our Partners and other investments, and (iii) publish the carbon footprint of 21CPV. **Moreover, 21 Invest Italy is assessing the possibility to join this initiative for its next fund and carry out a carbon footprint analysis of a part or all of its current portfolio, to be completed within 12 months.**

SG 14 CC	Voluntary	Public	General
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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 type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Evaluate the importance of carbon emissions and assess these for newly-invested companies, when necessary.	Tonnes	Analysis conducted by an external consultant based on data provided by the entity
Total carbon emissions	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Assess carbon emissions for regulatory compliance and to adhere to voluntary environmental best practices	Tonnes	Data provided by the company (measured by external consultant)

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

Following risk management procedures, for each potential investment the Legal, Compliance & Environmental Risk analysis carried out controls the risk related to the occurrence of legal problems or problems with regulatory compliance which the investee company is subject to, particularly, safety, administrative and environmental legislation. This risk is measured by examining the potential economic impact on the investee company deriving from the occurrence of this kind of adverse event.

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

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