



CLIMATE TRANSPARENCY REPORT 2020

Quaero Capital

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/-1F54D971-815A-4BA1-B195-5EF249745BDC/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	✓	Private				
SG 07.6 CC	-	Private				
SG 07.7 CC	-	Private				
SG 07.8 CC	✓	Private				
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	✓	Private				
SG 14.7 CC	-	Private				
SG 14.8 CC	✓	Private				
SG 14.9 CC	✓	Private				
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	
Name	Quaero Capital
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 1 - 4.99 billion AUM
Main Asset Class	>50% Listed Equity Internally Managed
Signed PRI Initiative	2015
Region	Europe
Country	Switzerland
Disclosure of Voluntary Indicators	8% from 38 Voluntary indicators

Quaero Capital

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.

For the majority of our investments we look to a long-term time horizon. For public equities this is between 2 to 10 years, and for private equities this is over 10 years.

For public equities, through our ESG evaluation of each company in which we invest, climate risk is often one of the most significant risks. With our geographic focus in mind, the greatest risk to our investments is transition risk and potential regulatory and behavioural changes that will occur over the coming years and decades. While a lesser risk, physical risk for some companies is significant, affecting the supply chain and manufacturing sites in high-risk areas. Our approach is not of a quantitative nature, but instead made up of individual company evaluations on a qualitative basis. As members of CDP we have access to the questionnaires which we find very valuable in evaluating climate risk, with companies outlining and quantifying physical and climate risks and opportunities. We have also used the Inevitable Policy Response research to help guide our evaluation of industry risks. Due to the risks identified for some sectors such as the energy sector, we have very little weighting across all funds to the fossil fuel industry.

For our private equity infrastructure funds, we evaluate physical and transition risk on a case by case basis. Physical risks include weather patterns, for example potential changes in the strength of the wind in areas that we construct and manage wind turbines as well as the level of rain that falls in areas where we are considering investments in hydro-electric dams. Transition risks include expected treatment and legislation of renewable energy vs. fossil fuel-powered energy and environmental legislation concerning the use and efficiency of water due to reduced rain.

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 timescales for these risks and opportunities vary widely for every investment in every fund. Broadly we see transition risks in Europe as being on the shortest time horizon, with fairly rapid development of regulation which affects many industries. For other geographies transition risk falls into the medium term.

Physical risk for infrastructure assets is also in the medium term

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.

We are evaluating how to manage and measure climate risk. We manage many different portfolios each with a different philosophy, geographic focus and industry exposure. We want to be sure that any framework that we set up is of value and applicable to all funds.

**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

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
 No, our organisation does not currently carry out scenario analysis and/or modelling

We don't currently undertake scenario analysis, but this is something we intend to review in line with TCFD guidelines