



CLIMATE TRANSPARENCY REPORT 2020

IK Investment 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/-71CB9F86-9A39-4A38-A188-D30838B9C904/79894dbc337a40828d895f9402aa63de/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	IK Investment Partners
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 5 - 9.99 billion AUM
Main Asset Class	>50% Private Equity Internally Managed
Signed PRI Initiative	2017
Region	Europe
Country	United Kingdom
Disclosure of Voluntary Indicators	100% from 38 Voluntary indicators

IK Investment 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.
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SG 01.6	Additional information [Optional].
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IK's RI Policy applies to all investments considered or made by IK Funds. The Policy, which was implemented in October 2012, is reviewed on an annual basis and publicly available at http://www.ikininvest.com/globalassets/puff/ik_ri_policy_2020.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
 No

	Describe why your organisation has not yet gone through a process to identify transition and physical climate-related risks and opportunities.
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At IK, we believe that climate change is a significant challenge to the global economy, society and ecosystems. Therefore, in 2019, we started work on a climate change tool that will enhance our ability to assess different aspects of climate change-related risks of potential investments. Currently, transition and physical climate-related risks and opportunities are identified and addressed in the same manner as other ESG risks. Together with other environmental ESG considerations, climate-related factors are integrated throughout the investment lifecycle.

SG 01.8 CC	Indicate whether the organisation publicly supports the TCFD?
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- Yes
 No

	Explain the rationale
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At IK, we believe that climate change is an important issue facing both our businesses and the community. However, we have not taken steps to publicly support the TCFD. ESG considerations are integrated throughout the investment lifecycle, which also includes the integration of climate-related factors. Our climate-related initiatives are included in our annual Communication on Progress (CoP) report as part of the UNGC signature.

**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 change is part of our RI Policy. As part of our responsible investment process, we identify ESG risks and opportunities, including climate-related risks and opportunities. In addition, IK measures our GHG (Greenhouse Gas) emissions at a company level on an annual basis as our commitment to address climate change.

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

IK publishes an annual UN Global Compact report to state its overall support for climate change. IK reports publicly on the climate-related indicators through PRI.

- 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

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

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

SG 07.6 CC

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

Climate change is explicitly mentioned in IK's RI policy (which is fully integrated into IK's investment process) and part of IK's definition of ESG (which is frequently used to raise awareness internally). The RI Policy applies to all investments made by IK Funds. IK's CEO, with the support of the partner group, owns the policy, and is responsible for overseeing its implementation.

Prior to any investment decision, a detailed presentation, covering financial and non-financial information is submitted to the Investment Committee. ESG is a mandatory part of the Investment Committee memorandum, and consists of i) ESG risks screening, which screens for inherent sector-specific risks, and ii) ESG summary assessment confirming DD findings. As part of the ESG review, which identifies ESG risks and opportunities of material character as well as appropriate ESG-related KPIs, each portfolio company completes IK's Responsible Investment (RI) questionnaire, which is then presented to the external consultant and forms the basis of a discussion between IK, the portfolio company and external consultant. The RI questionnaire revolves around areas such as environmental, social, governance, including KPIs, policies and standards adopted. The questionnaire captures the information regarding the board level roles and allocated responsibilities for ESG matters.

The findings of the ESG review are shared with the Board of Directors of the portfolio company and the IK deal team. IK asks portfolio companies to form an 'Audit & ESG Committee' which reports to the Board of Directors. The Committee is charged with ensuring that the company has a robust ESG plan and then monitoring the implementation of that plan on an annual basis.

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
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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, 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
- None of the above

Please explain why not

IK is still working to incorporate climate change into its full investment process. Already today, when relevant, portfolio companies measure environmental KPIs such as GHG emissions, carbon footprint, total energy consumption (energy efficiency), water consumption and/or waste generated. However, IK would like to adopt a more systematic way of responding to climate change risks and opportunities (see SG 01.6 CC). Measures will be rolled out to support these efforts, starting with changes to our RI Policy. Since Q1 2020, RI policy is being expanded to include in referrals companies with an unacceptable high greenhouse gas footprint and that have failed to take reasonable steps to reduce these emissions (each as determined by IK).

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 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

We adopt a similar process to identify climate-related risks, as to any other ESG-related risks and opportunities. Our internal ESG-related tools and an independent ESG review by external advisers identify, assess and provide recommendations to IK on how to manage identified climate-related risks. Following acquisition, we engage with investee companies through an ESG review to identify ESG risks and opportunities of material character. The purpose of the ESG review is to understand current attitudes and consequent actions of portfolio company boards and management teams related to ESG factors, as well as to make high level recommendations to the companies from quick wins, through tactical activities to strategic actions, with the aim of creating or protecting shareholder value.

- 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.

- Yes
- No

