



Type of engagement	Response for interdict
Individual/institutional scale engagements	<input type="checkbox"/> To support investment decisions and to inform ESG decisions <input type="checkbox"/> To encourage corporate action for specific ESG issues <input type="checkbox"/> Other: specify
Collaborative engagements	<input type="checkbox"/> To support investment decisions and to inform ESG decisions <input type="checkbox"/> To encourage corporate action for specific ESG issues <input type="checkbox"/> Other: specify
Service provider engagements	<input type="checkbox"/> To support investment decisions and to inform ESG decisions <input type="checkbox"/> To encourage corporate action for specific ESG issues <input type="checkbox"/> Other: specify

# CLIMATE TRANSPARENCY REPORT 2020

EQT

# 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-DE6C1CE6-8203-415B-A113-BAC77DB0C91F/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	✓	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	
<b>Name</b>	EQT
<b>Signatory Category</b>	Fund Management - Majority
<b>Signatory Type</b>	Investment Manager
<b>Size</b>	US\$ 30 - 50 billion AUM
<b>Main Asset Class</b>	>50% Private Equity Internally Managed
<b>Signed PRI Initiative</b>	2010
<b>Region</b>	Europe
<b>Country</b>	Sweden
<b>Disclosure of Voluntary Indicators</b>	98% from 38 Voluntary indicators

EQT

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 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

	Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.
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EQT's mission to make a positive impact with everything it does means that it has both an opportunity and a responsibility to take action. Climate change and the ongoing transition to a low- to zero-emission society poses physical and transitional risks such as interruptions from extreme weather events, increased pricing of greenhouse gas (GHG) emissions and changed customer behavior. It will also be a source of opportunity, innovation and differentiation.

By considering climate-related aspects when sourcing and evaluating investment opportunities and investing in companies that provide solutions to climate change issues, EQT funds can accelerate action in this area. In addition, through its active ownership approach, EQT engages with EQT funds' portfolio companies to improve their environmental performance and hence prepare them for market conditions where climate impact and transparency are increasingly valued. EQT recognizes that portfolio companies' revenues, costs and operations could be exposed to climate risks, directly or indirectly, and that poor management of these risks could result in financial losses, including an impact on the relevant EQT fund.

EQT has moreover conducted an environmental review of portfolio companies to enhance awareness and data availability by estimating core environmental impacts, such as GHG emissions. The results have provided valuable guidance on how to engage with different portfolio companies. Portfolio companies are also expected to annually report their GHG emissions, water usage and waste to landfill.

No

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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Yes

Describe the associated timescales linked to these risks and opportunities.

The impact and likelihood have so far been assessed on a case-by-case basis, taking into consideration the typical timeframes of 5 to 15 years and beyond for investments. EQT has an elevated ambition in this area which is to take a science and evidence-led approach to transforming its way of operating. Over the next year, EQT plans to review what this means in practice and aims to develop climate-related targets in line with the science in order to stay on a 1.5-2.0°C trajectory. EQT also aims to accelerate action with portfolio companies and enhance their climate disclosure.

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

EQT includes sustainability risks, including climate risks, as part of its risk management processes and the internal risk register. The general partner and/or manager of the EQT funds evaluates potential sustainability-related risks early in the investment process when conducting due diligence on target investments, where sustainability aspects are a key input in the investment decision process. Furthermore, portfolio companies are regularly assessed across a set of sustainability dimensions and KPIs. Should the portfolio company perform below expectations, remedial measures are put in place to improve its sustainability profile.

EQT also aims to promote sustainable practices and as such sound ethical and appropriate environmental standards in the portfolio companies that the EQT funds own or have an interest, more specifically:

- Supporting value creation potential from developing the company as environmentally resilient and regenerative
- Supporting a precautionary approach to environmental challenges
- Limiting the emissions of harmful substances and harmful waste, including emissions of greenhouse gases
- Limiting consumption of environmentally scarce and non-renewable resources with relevance for the specific business operations
- Avoiding or minimizing adverse impacts on biological diversity when specific business operations might have such effects

Further information around climate-related risks and opportunities are disclosed in the EQT Annual Report and included in the EQT RI&O Policy, the EQT Sustainability Blueprint and other guidance, that both the own organization and the EQT funds' portfolio companies/investments are expected to follow and be inspired by.

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

- The EQT Responsible Investment and Ownership Policy and the EQT GHG Emissions reporting
- 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

**Investor relations**

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

**Other role, specify (1)**

**Legal, Compliance and Risk Manager**

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

**Other role, specify (2)**

**Sustainability Ambassadors**

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

<b>SG 07.6 CC</b>	For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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Climate change is integrated into the overall sustainability strategy and processes within EQT. Thus, the EQT board of directors is regularly informed and involved in the climate change agenda.

<b>SG 07.7 CC</b>	For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.
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In addition to integrating climate change in the overall strategy, this is covered as relevant in the new deal and investment recommendation committees, consisting of members in different management positions. Portfolio companies are furthermore annually expected to report and progress on a number of climate-related KPIs, including GHG emissions, water usage and waste to landfill.

**ESG issues in asset allocation**

SG 13	Mandatory	Public	Descriptive	PRI 1
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<b>SG 13.1</b>	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.).
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Yes, in order to assess future ESG factors

	Describe
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Please refer to the response to indicator 13.3 below.

Yes, in order to assess future climate-related risks and opportunities

	Describe
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Please refer to the response to indicator 13.3 below.

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

<b>SG 13.2</b>	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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	We do the following
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- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

<b>SG 13.3</b>	Additional information. [OPTIONAL]
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EQT applies a thematic mindset in deal sourcing that aims to identify underlying macro trends and investment opportunities that span across sectors and strategies. With this approach, EQT targets high-quality companies with sustainable growth potential in attractive industries with good secular growth drivers and strong downside protection. Scenario analysis is performed on a case by case basis and include the topics deemed relevant to the specific sector/investment. This does not equal degree scenario analysis but can rather be geopolitical or other market trends.

SG 13 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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<b>SG 13.4 CC</b>	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.
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Initial assessment

Describe

Following EQT's thematic investment approach, environmental and climate-related aspects are integrated in EQT's overall investment strategies and processes. Overall guidance is provided in the EQT RI&O Policy and Sustainability Blueprint. This is complemented by sector-specific analysis, aligned with the SDGs.

During the value creation process, scenario analysis is performed on a case by case basis and include the specific topics deemed relevant. Data from climate-related disclosures, including the EQT Environmental Impact Profiling Tool, based on Environmentally Extended Input-Output (EEIO) data, and the MSCI ESG Manager, is available to assess current and future climate-related risks and opportunities. In addition, useful resources/guidance from the Climate Disclosure Standards Board (CDSB), Sustainability Accounting Standards Board (SASB) and UN Environment Programme among others are available in the EQT Sustainability Toolbox. External consultants have also been engaged to provide insights on the topic, including on physical climate risks when assessing a new investment opportunity.

Incorporation into investment analysis

Describe

Please see the response directly above.

Inform active ownership

Describe

Please see the response directly above.

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

During 2019, EQT together with an external consultant initiated a study on the future outlook for global energy, including the renewable energy transition and potential scenarios/climate models. The assessment focused on market outlook and investor sentiment, as well as the implications of these aspects for EQT.

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 type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input 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 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> An accelerated transition scenario
Other	<input type="checkbox"/> Other (2)	
Other	<input type="checkbox"/> Other (3)	

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

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

	trillions	billions	millions	thousands	hundreds
Total AUM		39	900	000	000
Currency	EUR				
Assets in USD		43	981	821	760

Specify the framework or taxonomy used.

Integrating sustainability into every investment is part of EQT's investment philosophy - making a positive impact with everything it does. Thus all AUM are invested with a low carbon and/or climate resilient lens.

- 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

<b>SG 14.3</b>	Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.
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- 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

	other description
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Addressing the TCFD recommendations

None of the above

<b>SG 14 CC</b>	Voluntary	Public	General
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<b>SG 14.6 CC</b>	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
<b>Climate-related targets</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Transitioning to using energy from renewable sources in own operations (scope 1 & 2)	CO2e	Reported by PCs and/or estimated using EEIO data
<b>Carbon footprint (scope 1 and 2)</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Increased climate awareness, engagement and transparency as well as reduced carbon emissions	CO2e	Reported by PCs and/or estimated using EEIO data
<b>Portfolio carbon footprint</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Increased climate awareness, engagement and transparency as well as reduced carbon emissions	CO2e	Reported by PCs and/or estimated using EEIO data
<b>Total carbon emissions</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Increased climate awareness, engagement and transparency as well as reduced carbon emissions	CO2e	Reported by PCs and/or estimated using EEIO data
<b>Carbon intensity</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Increased climate awareness, engagement and transparency as well as reduced carbon emissions	CO2e/\$	Reported by PCs and/or estimated using EEIO data. Typically, intensity is measured with sales as the denominator, but other intensity measures are also used
<b>Exposure to carbon-related assets</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Increased climate awareness, engagement and transparency as well as reduced carbon emissions	Total CO2e and CO2e/\$	Internal ranking that guides which assets are in need of further resources and engagement

SG 14.7  
CC

Describe in further detail the key targets.



Targettype	Baseline year	Target year	Description	Attachments
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				

**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

In addition to being integrated in EQT's overall investment strategies and processes, the Risk Managers also cover climate aspects in their overall risk assessment.

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

**SG 14.9  
CC** Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

- Yes

Please describe

In the annual sustainability follow-up, all participating portfolio companies are asked if they address the TCFD recommendations. As previously mentioned, EQT has also conducted an environmental review of EQT funds' portfolio companies to enhance awareness, transparency levels and focus engagement around core environmental issues.

- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

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

**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
- Renewable energy
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

EQT funds have a thematic investment approach and incorporate ESG standards throughout the value creation process.

Asset class invested

- Listed equity

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

100

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

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

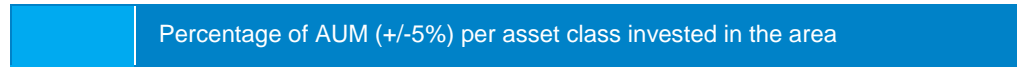
100

- Fixed income - Securitised
- Private equity

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

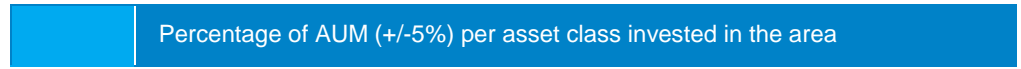
100

Property



100

Infrastructure



100



EQT's purpose is to future-proof investments and make a positive impact. Hence, all assets and funds have environmental, social and governance themes incorporated.

No