

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/-C00C48B3-888A-47FA-99BD-9BED9E7AA620/79894dbc337a40828d895f9402aa63de/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	Sarona Asset Management
Signatory Category	Fund of funds, manager of managers, sub-advised products - Majority
Signatory Type	Investment Manager
Size	US\$ 0.1 - 0.99 billion AUM
Main Asset Class	>50% Private Equity Internally Managed
Signed PRI Initiative	2010
Region	North America
Country	Canada
Disclosure of Voluntary Indicators	14% from 38 Voluntary indicators

Sarona Asset Management

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 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
 No

Describe why your organisation has not yet gone through a process to identify transition and physical climate-related risks and opportunities.

We are in negotiations for a climate-focused fund which will go through these processes, but it has not yet been launched (likely to launch in 2021).

SG 01.8 CC Indicate whether the organisation publicly supports the TCFD?

- Yes
 No

Explain the rationale

We are participating in discussions about it within a GARI working group. Some of it will become mandatory for us as PRI signatories this year, but we have not implemented this yet.

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 will consider this within our three year review of our ESG policies and processes and may see changes in our policies and processes reflecting climate-related risks and opportunities in 2021.

**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

	External managers or service providers
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- 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.
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The board discusses ESG risks including environmental risks and climate linked risks at least annually during a general risk assessment of the investment environment.

SG 07.7 CC	For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.
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The internal management team discusses ESG risks including environmental risks and climate linked risks at least annually during a general risk assessment of the investment environment.

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.).
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- 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.
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- 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

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 invest in small to mid-market companies in Global Growth Markets . We do this primarily through local private equity and private debt investment partners. Our work, therefore is to select the best local investment partners, who will be the extension of our eyes, ears and values. Those values are both social and environmental. We require all portfolio companies to report on some 20 IRIS metrics, including environmental.

More recently, we have begun a project to understand and invest in climate change mitigation, resilience and adaptation. This specific investment strategy is in development.

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

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

5

Inclusive finance

Other (1)

Brief description and measures of investment

Sarona is invested in South Asia Clean Energy Fund (SACEF I). SACEF I invests in companies that promote renewable energy, energy efficiency and products with reduced energy usage in South Asia. Their goal is to generate strong returns while reducing greenhouse gas emissions in South Asian countries that currently suffer from high levels of pollution.

Renewable energy

Asset class invested

Private equity

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

2

Inclusive finance

Other (1)

Brief description and measures of investment

Founded in 2007, Berkeley Energy taps into the growing demand for renewable energy infrastructure in developing markets. REAF focuses on supporting wind, small hydro, biomass, solar, geothermal and landfill gas projects in India and the Philippines. With a capacity shortage and growing demand for energy, renewables are increasingly becoming a core part of the Asian energy landscape.

- Green buildings
- Sustainable forestry
- Sustainable agriculture

Asset class invested

- Private equity

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

3

- Inclusive finance
- Other (1)

Brief description and measures of investment

Sarona co-invested in Khyati Foods India Private Ltd. (Khyati Foods) alongside SEAF I. Khyati Foods, based in Bhopal India, certifies organic soy and cotton farmers and then processes and exports the finished product. The company's largest export markets are Europe and North America. Khyati Foods has also started to buy, clean, grade and export conventional meal, organic meal, organic flaxseed, cotton seed, and soya oil. To date, Khyati Foods has trained more than 19,800 small farmers - 8,800 organically certified and 11,000 in process of conversion to organic certification in 2017 and 2018. The farmers benefit from organic certification which allows them to sell products at premium prices.

- Microfinance

Asset class invested

- Private equity

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

5

- Inclusive finance
- Other (1)

Brief description and measures of investment

Among others, Sarona is invested in Financiamiento Progreseemos, a Mexican institution that lends to women in rural areas.

- SME financing

Asset class invested

- Private equity

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

1

- Inclusive finance

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

100

- Other (1)

Brief description and measures of investment

Sarona's fund of funds and advisory managed account invest in small to mid-market companies through private equity managers based in Frontier and Emerging markets.

- Social enterprise / community investing

Asset class invested

- Private equity

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

1

- Inclusive finance

- Other (1)

Brief description and measures of investment

One of Sarona's underlying funds has invested in Teamwork Arts, an Indian entertainment company that promotes Indian culture and addresses social issues through arts. The company's mission is to provide, through its festivals and connected workshops, a platform to raise, discuss and engage on difficult social issues, include disenfranchised communities and attract additional sponsors whose priorities align with the overarching causes.

- Affordable housing

Asset class invested

- Private equity

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

3

- Inclusive finance

- Other (1)

Brief description and measures of investment

One of Sarona's underlying funds has invested in MexVi, which provides low-cost, high-quality housing solutions to Mexicans in rural and semiurban areas.

Education

Asset class invested

Private equity

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

12

Inclusive finance

Other (1)

Brief description and measures of investment

Sarona co-invested in the Tiba Group alongside ANAF II. Tiba Group was founded in 1990 and is a leading, private provider in Egypt, with one university, three academies and three K-12 schools. The company seeks to capture the strong growth opportunity in the local market driven by the size of the young population and a large demand/supply gap for affordable high quality .

Global health

Asset class invested

Private equity

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

8

Inclusive finance

Other (1)

Brief description and measures of investment

One of Sarona's underlying funds has created a holding to house the fund's two healthcare investments in Tunisia and three in Egypt.

Water

Other area, specify

No