



# Portfolio Report

— 2017 —

Investing to Solve Global Challenges





---

# Contents

---

## **OUR APPROACH**

Summa Equity .....	4
Letter from the Managing Partner .....	5
Our Approach.....	6
Commitment to sustainable development .....	7

## **MEGATRENDS**

Megatrends and Investment Themes.....	11
---------------------------------------	----

## **INVESTMENT THEMES**

Summa's Investment Themes.....	12
--------------------------------	----

## **VIA SUMMA**

Via Summa .....	13
-----------------	----

## **ESG INTEGRATION**

Deal sourcing.....	14
ESG integration.....	14
Determining materiality .....	15

## **SORTERA CASE STUDY**

Value creation through ESG improvement: Sortera .....	16
---	----

## **PORTFOLIO OVERVIEW**

Acqisition timeline and portfolio SDG alignment .....	17
---	----

## **OUR INVESTMENTS**

Lin Education .....	18
Egain .....	20
Sortera .....	22
Milarex.....	24
Norsk Gjenvinning .....	26
EcoOnline .....	28
Pagero .....	30
Summa Digital.....	32

## **METRICS**

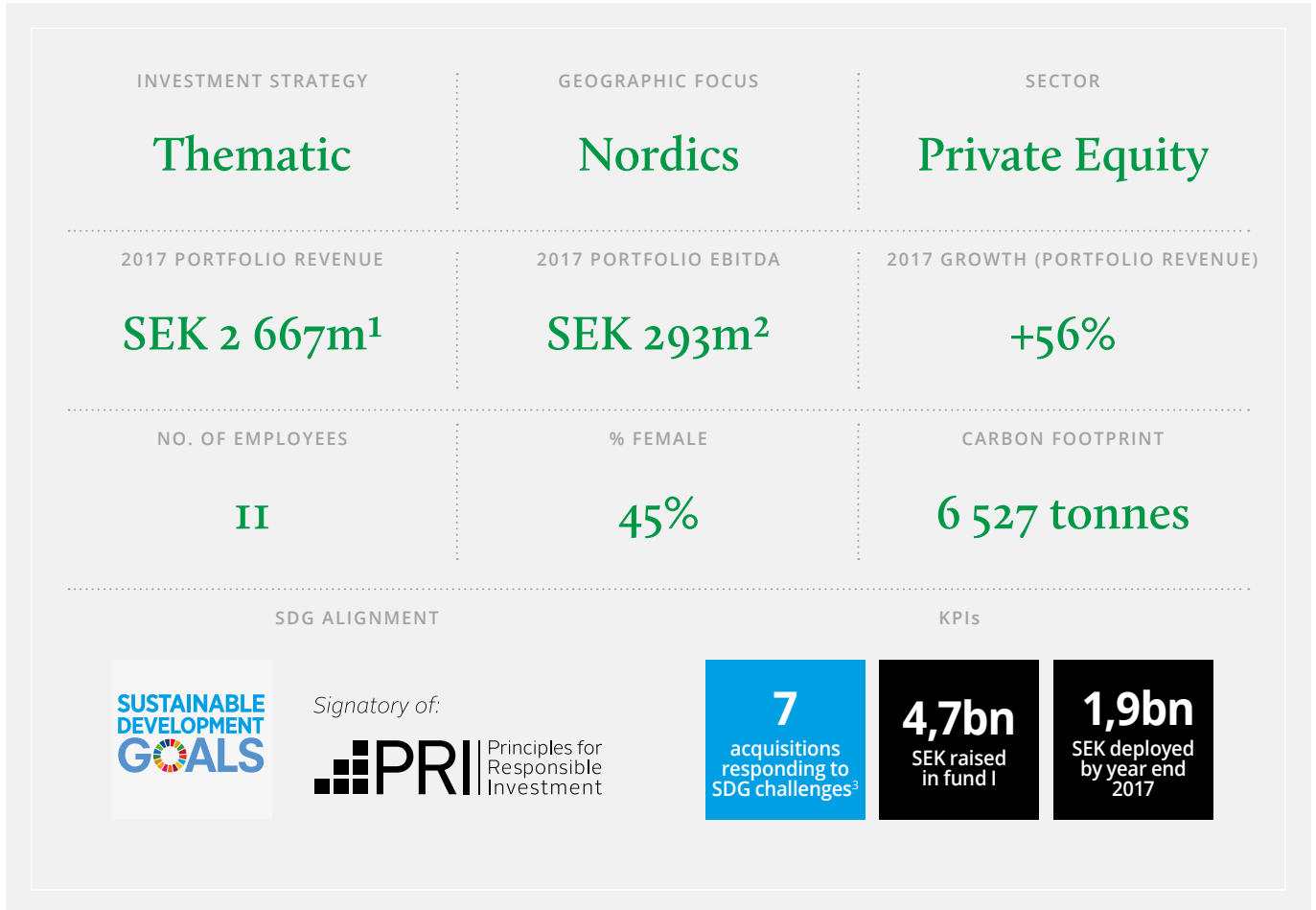
Financials .....	34
Social aspects.....	35
Environmental Aspects.....	36

## **SUMMATES**

Meet the Summates .....	37
Summa Board .....	38

# Summa Equity

Investing to solve global challenges



## FUND PERFORMANCE

The portfolio has performed strongly to date, delivering in aggregate 56% revenue growth and 86% EBITDA growth in 2017.



<sup>1</sup> adjusted for portfolio add-ons; excludes NG.

<sup>2</sup> adjusted for portfolio add-ons, excludes NG and Summa Digital.

<sup>3</sup> Relates to the number of platforms and does not include add-on acquisitions. NG is not included, as this transaction was finalised in 2018.



# Letter from the Managing Partner

Herbert Stein once said “If something cannot go on forever, it will stop” or in other words, it isn’t sustainable.

The purpose of Summa Equity is to invest to solve some of the major challenges facing the world today. We believe that those companies that develop innovative solutions to these challenges are the ones that will outperform.

We are proud of the portfolio of companies that we have invested in since our start in 2016. These are companies that are helping to solve our waste problems, enhance the sustainability of our food supply, improve health services and education as well as facilitate improved compliance in business transactions.

Although our purpose was novel in our industry, I am positively surprised to see how important our thematic strategy and focus on future-proof, solution-oriented companies has been in attracting some of the leading global investors. We have attracted exceptional talent as well, and we have been able to acquire a unique portfolio of organisations fully aligned with our purpose. I can truly say that we are growing and performing above expectations.

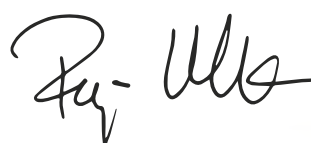
Summa Equity was among the first Private Equity companies to commit to the UN Sustainable Development Goals (SDGs) and to use them as a framework for responsible investment. As the world is progressing and growing, new challenges are sure to arise. This provides ample opportunity for growth to those that can best address them. The SDGs lay out 17 goals which are rooted in fundamental challenges. While the goals are geared toward governments, it is really companies that must develop the products and services needed to address them. Thus, the SDGs provide an excellent framework to identify opportunities.

Research by Professor George Serafeim at Harvard Business School, who we are grateful to have as our advisor in Summa Equity, has shown that purpose-driven companies exhibit higher levels of motivation and better performance. By incorporating the SDG framework in shaping the long-term strategy for our companies and by measuring the effect, we believe they will be more purpose-driven and thus perform better over time. It will enable them to innovate in reducing externalities, and cutting waste and unnecessary costs. It also attracts better talent; at the end of the day, we would all rather be part of the solution than the problem.

Every company affects the SDGs in one way or another. We believe that in order to be future-proof, an organisation needs to align itself to be a positive player. Thus, a company affecting the SDGs negatively, to paraphrase Herbert Stein, is a company that won’t last.

Although this report is our first, and our portfolio is very young, we are already seeing that focus on solving challenges positively correlates with organisational performance. We will do our best as owners to enable our companies to outperform, both financially and in their contribution to society.

Sincerely,



# Our Approach

---

## About Summa

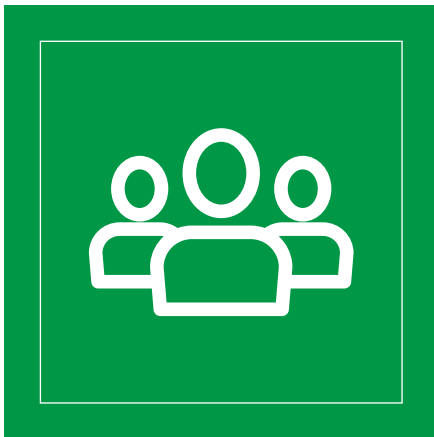
Summa Equity is a thematic investment firm defined by a purpose-driven team that have come together to invest in companies that address some of our global challenges. With a strong history and experience of investing in and developing successful companies, we have a unique understanding of helping companies in different phases and industries to improve and outperform. We focus on companies in industries supported by megatrends within three themes, Changing Demographics, Resource Efficiency and Technology Enabled businesses, and that due to their products and services can grow strongly and outperform since they address some of the social, environmental, and business challenges we need to solve.

## About this report

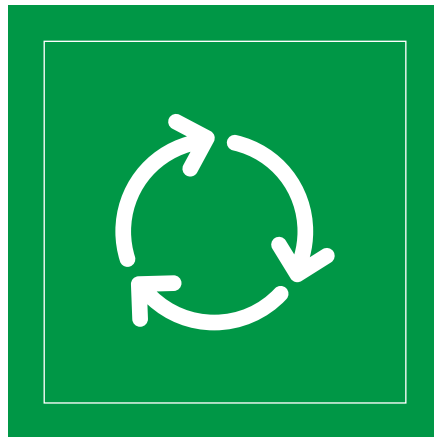
Our report for 2017 is intended to give an introduction to the framework we are developing to track and improve Summa's ESG performance and impact on the UN Sustainable Development Goals. For this purpose we are presenting our portfolio in brief, while describing the megatrends and the sustainability issues that inform our investment decisions. In support, we also present an initial set of metrics reflecting material issues shared throughout the portfolio, as well as metrics for each of our portfolio companies that relate to their SDG impact. This is not meant to be a comprehensive list, but is rather intended to lay a foundation and provide guidance. As this is our first report, we are presenting a framework that is evolving and that we aim to improve over time as the approach matures.

---

## Our thematic investment focus



**Changing demographics**



**Resource efficiency**



**Tech-enabled business**

# Commitment to sustainable development

## Overview of the SDGs



Summa Equity is committed to the Sustainable Development Goals (SDGs) that define global sustainable development priorities and aspirations for 2030. We believe global alignment behind these high-profile goals will drive positive market development and commercial opportunities across certain sector focus areas in the Nordic region and beyond.

The SDGs are closely related to a number of megatrends that are expected to have a material impact on our societies and economies in the years to come. These create uncertainty for businesses through e.g. changing patterns of demographics, economic growth, political unrest, climate change, financial instability and technological disruption. However, even in an uncertain world, there are social and economic developments that are relatively predictable and that can provide stronger growth opportunities and relative safety from volatility for businesses.

Some of our greatest global challenges provide us with some of the most appealing investment opportunities. As such, we at Summa focus on some of the key trends to help inform our investment strategy. They form the basis of our chosen investment themes. The SDGs and associated megatrends also help us pinpoint the specific areas within each theme where opportunities for growth or disruption align with positive impact on significant issues.

We believe that organisations that offer innovative solutions, aimed at these issues, will see growth opportunities that are stronger than those based on more traditional delivery models. We expect this to make our investments more future-proof, leading to better financial performance over time.

In addition, we consider the long-term commercial performance of an organisation to be linked to its ability to manage its key environmental, social and governance (ESG) issues. Leading companies are capitalising on the enhanced value creation opportunities, risk mitigation and efficiency opportunities presented by ESG issues whilst laggards are increasingly being held accountable for poor performance.

A key part of Summa Equity's approach to drive and protect value in its investments is to work actively with ESG. We will look to ESG as a tool to drive accelerated growth, decrease risk, improve operational efficiency, improve talent attraction and retention as well as drive higher exit multiples.

# Overview of Megatrends

## 1. Ageing Demographics

### CHALLENGE

Population ageing<sup>1</sup> worldwide is being driven by fertility decline and improved longevity associated with social and economic development<sup>2</sup>, with the highest average age occurring in high-income countries. From 2015 to 2050, the proportion of the world's population aged over 60 years may almost double, from 900 million people to 2 billion people (12 to 22 per cent)<sup>3</sup>.

Population over 60 years expected to almost double by 2050

### OPPORTUNITY

Considerable economic, social and political shifts associated with an ageing global population are poised to have implications for all sectors of society. This will give rise to the need for health care products facilitating for elderly people staying at home, general health care aiming at increasing healthy and productive life years (e.g. medical supplies, eHealth and tools for more efficient health care delivery), employment opportunities for older people, adapting the built environment and transport (e.g. upgrades to public transportation and home construction), besides a growing market for goods and services for older people (e.g. wellness and anti-aging products, smart home technologies and health care services).



## 2. Movement of people

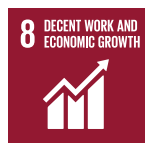
### CHALLENGE

Globally, more people live in urban areas than in rural areas. In 2014, 54 per cent of the world's population were residents in urban areas and this figure is projected to rise to 66 per cent by 2050, representing an urban population growth of 2.5 billion people<sup>4</sup>.

66% of the world's population may reside in urban areas by 2050

### OPPORTUNITY

A growing urban population translates to an anticipated requirement for improvements in infrastructure, recycling and waste management as well as in the shared economy. Urbanization and the associated migrant flows increase the demand for affordable housing - both temporary and permanent. Additionally, as people relocate from rural to urban settings, the specific dynamics for urban economies often require people to undergo job training and re-training to adapt to business cycles and shifting requirements. Thus, for example we will need specialist and migrant employment agencies as well as education and training provision to facilitate entry into schools.



<sup>1</sup> Defined by the UN as 'The increasing share of older persons in the population', UN, 2015. World Population Ageing Report 2015.

<sup>2</sup> UN, 2015. World Population Prospects: The 2015 Revision.

<sup>3</sup> WHO, 2015. Ageing and Health Factsheet.

<sup>4</sup> UN, 2015. World Urbanization Prospects, 2014 Revision.



# Overview of Megatrends

## 3. Resource Scarcity

### CHALLENGE

Rapid population growth is placing increased demand on strained resources. Meeting future resource needs represents a significant challenge and opportunity<sup>1,2</sup>. Resource scarcity – encompassing water, food, land, energy, and other key natural resources such as rare earth metals, wood and fisheries – will impact many sectors, i.e. agriculture, waste, infrastructure, and raw material availability<sup>3,4,5,6,7</sup>.

Population growth will place increase demand on strained resources

### OPPORTUNITY

Meeting the increasing and diverse resource needs of growing economies and populations is deemed a significant risk but also an opportunity for many sectors. Businesses will need to make significant changes to their operations to combat resource scarcity. This requires more efficient methods in food production (i.e. biotechnology, technologies and equipment for agriculture and aquaculture), waste management and recycling, shared economy (systems to facilitate sharing of underused assets and services), as well as efficiency improvements in infrastructure to reduce resource use and wastage.



## 4. Population Growth

### CHALLENGE

From 1950 to 2015 the world population grew from 2,5 billion to 7,3 billion. By some estimates, this will continue to rise by more than one billion people in the next 15 years, reaching 8,5 billion by 2030 and 11,3 billion by 2100<sup>2</sup>. The Nordic region largely follows the global, positive population growth trend. However, Europe overall is likely to experience a downward trend, resulting in a smaller population in 2050 than in 2015<sup>2</sup>.

World population to reach 8,5 billion by 2030

### OPPORTUNITY

Population growth means an increased number of people to sustain, including an estimated three billion new middle-class consumers entering the global market by 2030. This creates opportunities for growth in numerous commercial areas, such as consumer goods, construction, education, medical, transportation and energy.



<sup>1</sup> Ellen MacArthur Foundation, 2014.

<sup>2</sup> UN, 2015. World Population Prospects, 2015 Revision

<sup>3</sup> World Economic Forum, 2016. The Global Risks Report 2016.

<sup>4</sup> World Bank, 2015. Ending Poverty and Hunger by 2030. An agenda for the global food system.

<sup>5</sup> Carbon Trust, 2015. Titans or Titanics?

Understanding the business response to climate change and resource scarcity.

<sup>6</sup> World Economic Forum, 2016. Trend: Scarcity of Resources [accessed September 2016]

<sup>7</sup> Food and Agriculture Organization of the United Nations, 2016. The State of World Fisheries and Aquaculture.

<sup>8</sup> Nordregio, 2016. Nordregio Report 2016. Chapter 2 Urbanisation: A core feature of Nordic population growth.

# Overview of Megatrends

## 5. Energy Efficiency & Climate Change

### CHALLENGE

Human influence on the climate system is clear and growing, and at a 95 per cent confidence level, humans are the main cause of present global warming. Anthropogenic greenhouse gas emissions (carbon dioxide, methane, nitrous oxide, ozone), driven by economic and population growth, are today higher than ever<sup>1</sup>.

Humans are the main cause of global warming

### OPPORTUNITY

In order to meet national and international emissions targets, countries look to a variety of measures: EU and international emissions trading markets, international cooperation and project-based cooperation, energy efficiency improvements and promotion of renewable energy. As such, the emissions targets present opportunities to generate value by contributing towards the transition to a sustainable, low-carbon economy through energy efficient technologies, energy infrastructure solutions, urban energy efficiency amongst others.



## 6. Technology Disruption

### CHALLENGE

Digital technologies are disrupting and transforming the worldwide economy. As affordability and availability increase, demand is likely to rise. Analysis suggests that the global digital economy (as a share of gross domestic product) will grow from 22,5 per cent in 2015 to 25 per cent in 2020, representing USD 24 615 billion<sup>2</sup>.

The global digital economy could grow from 22,5% to 25% by 2020

### OPPORTUNITY

Technological advances may be leveraged across all sectors to reap commercial benefits whilst enhancing environmental and social goals. Further, technological developments facilitate more transparency, improved compliance and more efficient information sharing and transactions. Considerable opportunities exist in areas such as digital education and training, business services and health care. In addition, some technologies show promise in application across a wide range of sectors, i.e. fintech, IoT (Internet of Things), data analytics, digital marketplaces and SaaS (Software as a Service).



<sup>1</sup> IPCC, 2014. Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, R.K. Pachauri and L.A. Meyer (eds.)]. IPCC, Geneva, Switzerland, 151 pp.

<sup>2</sup> Accenture, 2016. Digital disruption: The growth multiplier [accessed August 2016]

# Megatrends and Investment Themes

## MEGATRENDS

- 1. Ageing Demographics
- 2. Movement of people

- 3. Resource scarcity
- 4. Population growth
- 5. Energy efficiency & climate change

- 6. Technology Disruption

## INVESTMENT THEMES



Changing demographics



Resource efficiency



Tech-enabled business

## PORTFOLIO



IVBAR



Documaster



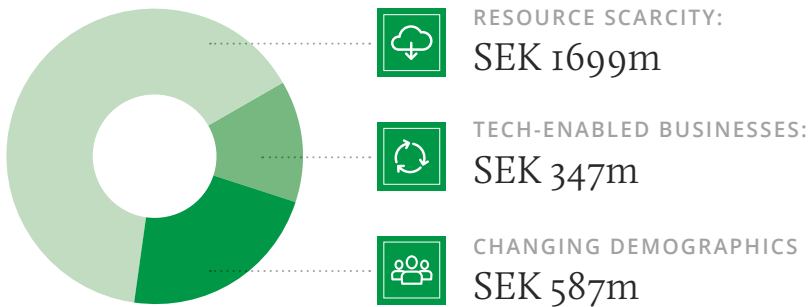
Qlearsite

## UN SUSTAINABLE DEVELOPMENT GOALS



# Summa's Investment Themes

## Revenue Distribution



### Changing Demographics

The rapid growth and ageing of the global population, particularly acute in developed countries has, combined with the increasing availability of advanced treatments, contributed to increasing significantly the cost burden of healthcare on societies.

In the Nordic countries, private healthcare provision is growing rapidly, which is driving efficiency gains as well as catering to increasing demand for private pay solutions. There is a broad landscape of SMEs active in this field. Also, the Nordic countries have a vibrant ecosystem of innovative companies active in R&D-driven healthcare business models, as well as in eHealth, which are expected to drive both availability of healthcare and cost efficiency.

### Resource Efficiency

Rapid growth in the global population combined with increasing wealth in emerging economies is placing increasing strain on a finite resource base, driving the need for increasingly efficient production of food, energy and materials. The Nordic economies have a strong economic base of companies focused on addressing these problems, particularly in the food production, waste and recycling segments.

The Nordic countries have also historically been leaders in energy efficiency, due to the presence of a large traditional energy industry and a strong political opinion in favour of environmental protection. This has created a thriving universe of SMEs active in the sector.

The combination of fundamental economic drivers, political will through the UN and the Paris Agreement, and a rapid pace of technology development presents a significant opportunity for Nordic companies to deliver product and service offerings to meet growing demand.

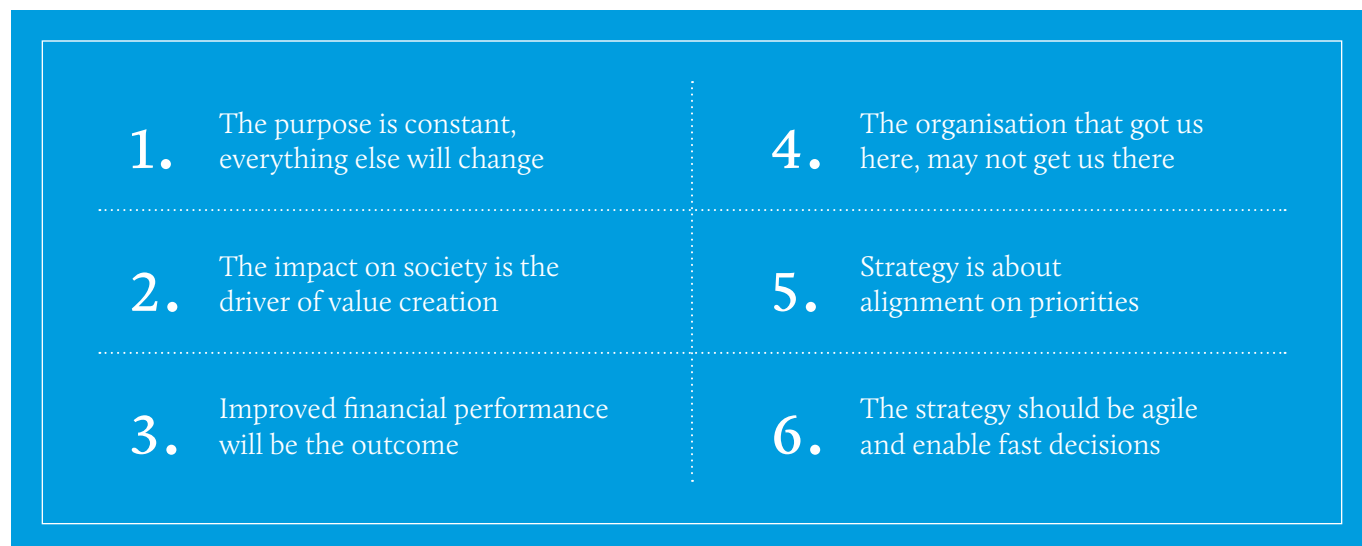
### Tech-Enabled Business

The Nordic region has a large and dynamic ecosystem of innovative tech-enabled businesses, being the fastest growing and most liquid tech market globally. It has one of the world's most sophisticated online and mobile internet marketplaces, providing significant opportunity to digitise and 'tech-enable' traditional business models. This is demonstrated by 22 % of Nordic SMEs marketing their products and services online compared to 15% of the EU as a whole.

The large universe of SMEs and strong pool of management talent has led to a highly active M&A environment, with more than €1,9 billion invested across 580 technology transactions in 2016 and 2017

# Via Summa

## Summa's principles for strategy



Summa aspires to be a connector of ideas, capital, resources, and talent to contribute and strengthen a company's journey. On this journey, we support value creation by shaping a clear purpose and goals. We then help the company to successfully fulfil its purpose and reach its goals.

We call this process  
**Via Summa**





# Deal sourcing

Summa’s deal flow consists both of actively sourced and incoming cases. In addition to performing traditional ESG Due Diligence we also consider which problem the company is aiming to solve and potential SDG impact in the initial stages. The approach differs somewhat for the two different pathways. Incoming deals go through a screening process where we consider the significance of potential SDG impact before further action is taken. Summa’s focus on using ESG as a value driver aids in this process as well as in developing each business after acquisition.

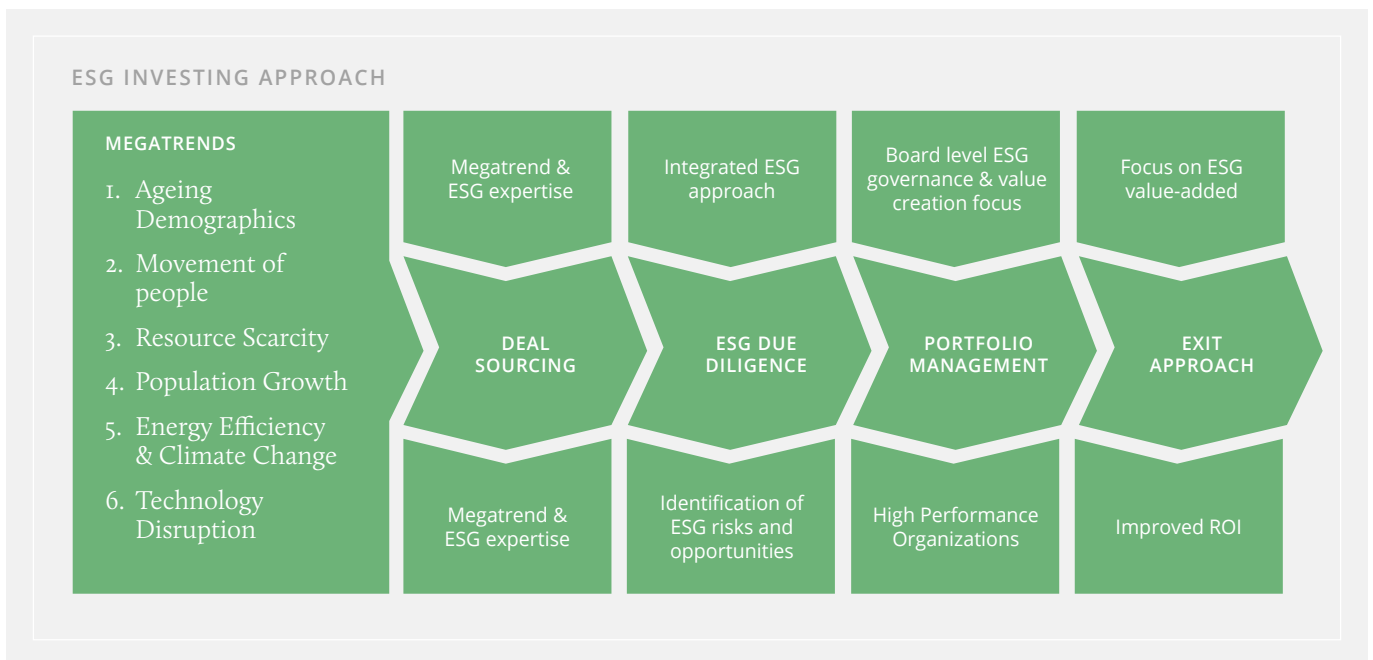
When actively sourcing deals we focus on identifying the specific areas within each investment theme where the megatrends provide room for growth, disruption and positive influence with respect to global or local issues. In particular we look for unique technologies or processes that significantly improve upon what exists elsewhere in the respective industry.

# ESG integration

As a private equity firm Summa Equity seeks to create superior future-proof returns by investing in companies positioned to benefit from global megatrends and create High Performing Organisations. The megatrends drive many of the environmental, social and governance issues that the SDGs seek to highlight, while at the same time presenting us with opportunities to find novel solutions.

ESG-considerations, then, are essential to all our investment decisions. Whilst the megatrends are set to drive growth and opportunities across a number of sectors, we believe that ESG integration is also valuable as a tool that can be used to create High Performing Organisations that are purpose-driven, resilient and do business differently to deliver stronger all-round performance. ESG is a core element of our approach to identify, screen and manage our investments, in terms of both identifying risks and driving value creation. Unlike many firms, accountability for ESG issues is not delegated to a single function but integrated across our investment strategy and fundamental analysis.

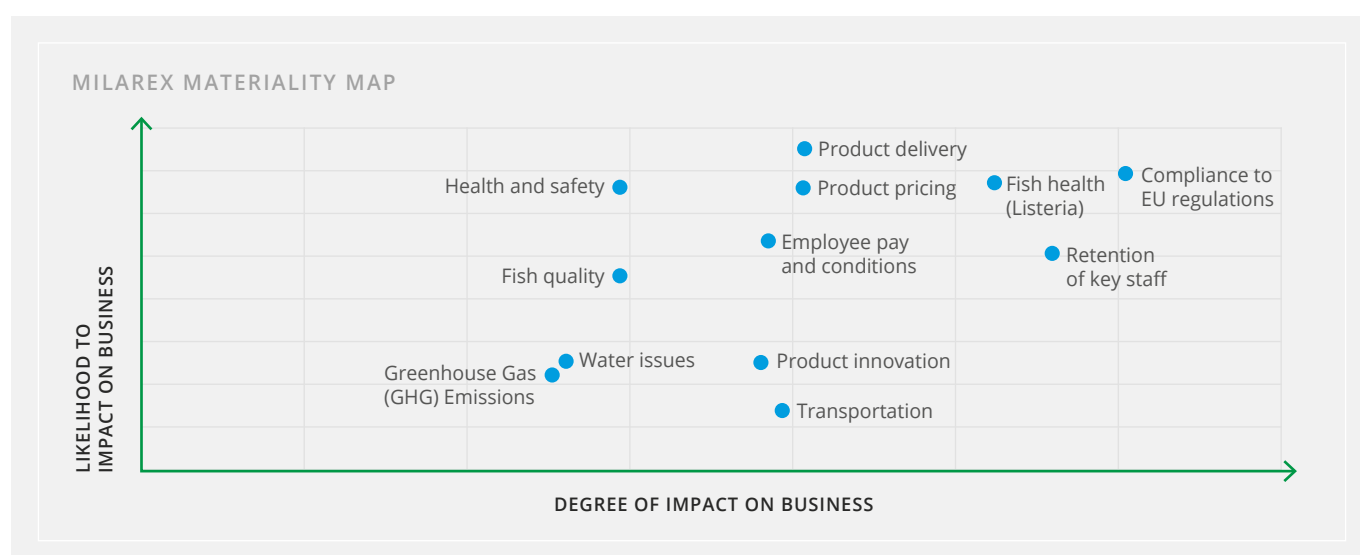
We believe our approach to investing along key themes and integrating awareness of ESG issues into our investment decisions and portfolio management serves to benefit our investors by aligning with global megatrends, generating further value by capitalising on ESG opportunities and protecting value through reducing and managing risk.



# Determining materiality

Following the successful acquisition of each company, Summa undertakes efforts to further integrate ESG issues into the ongoing operations. This is initiated through facilitated workshops where key stakeholders are identified and the material issues determined. Milarex' materiality map below shows the outcome of such an assessment. The issues have been prioritised according to the potential degree of impact on the business, and the likelihood of that impact occurring. The upper right-hand quadrant contains the more material issues. Once identified these issues will allow focus on specific initiatives and processes within Milarex.

The materiality assessments serve as a foundation from which we may develop metrics to monitor performance and improvement going forward, while ensuring that we have a clear view of what is relevant for each industry and track what is most important.



## Summa Foundation

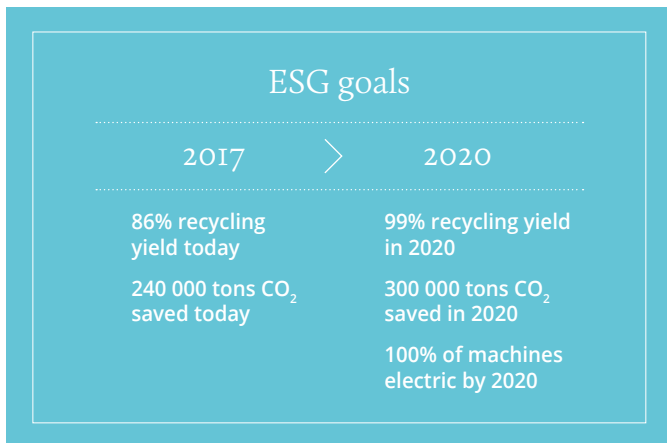
Summa Equity believes in building strong links with the communities. Hence, Summa Equity is linked with a charitable Foundation to which part of future returns are allocated. This is integral to the values of Summa and is in line with its commitment to a strong culture of ESG.

The main purpose of the Summa Foundation is to promote a prosperous society and ecology. The purpose of the Foundation shall be fulfilled, directly or indirectly, through charitable donations, investments in social, cultural or environmental enterprises that positively impact an improved society and ecology, or through other ways of advancing the Foundation's purpose.

# Value creation through ESG improvement: Sortera

In 2016, one of Sorteras crushing-machines was becoming outdated. Sortera's crushing-machines are crucial in processing inbound waste, both breaking down and sorting the materials. As one of these needed to be upgraded, Sortera chose to invest in a new, fully-electric crusher. Not only does the new machine lead to more efficient waste handling and eliminate the use of diesel completely; it also reduces dust and sound in the working environment. In addition, it enables Sortera to handle a wider array of waste types,

improve the recycling yield and the quality of the recycled material. Sorteras choice reflects one of the core values in our investment thesis – investing into ESG-positive solutions can both increase productivity and is an economically efficient choice for companies.



**FINANCIAL IMPACT**

Reduced OPEX from automated processes

**SOCIAL IMPACT**

Improved working environment - reduced dust and noise

**ENVIRONMENTAL IMPACT**

Improved CO<sub>2</sub> footprint and higher recycling yield

**COST COMPETITIVENESS**

Largest machine of its kind in Northern Europe (200kT)

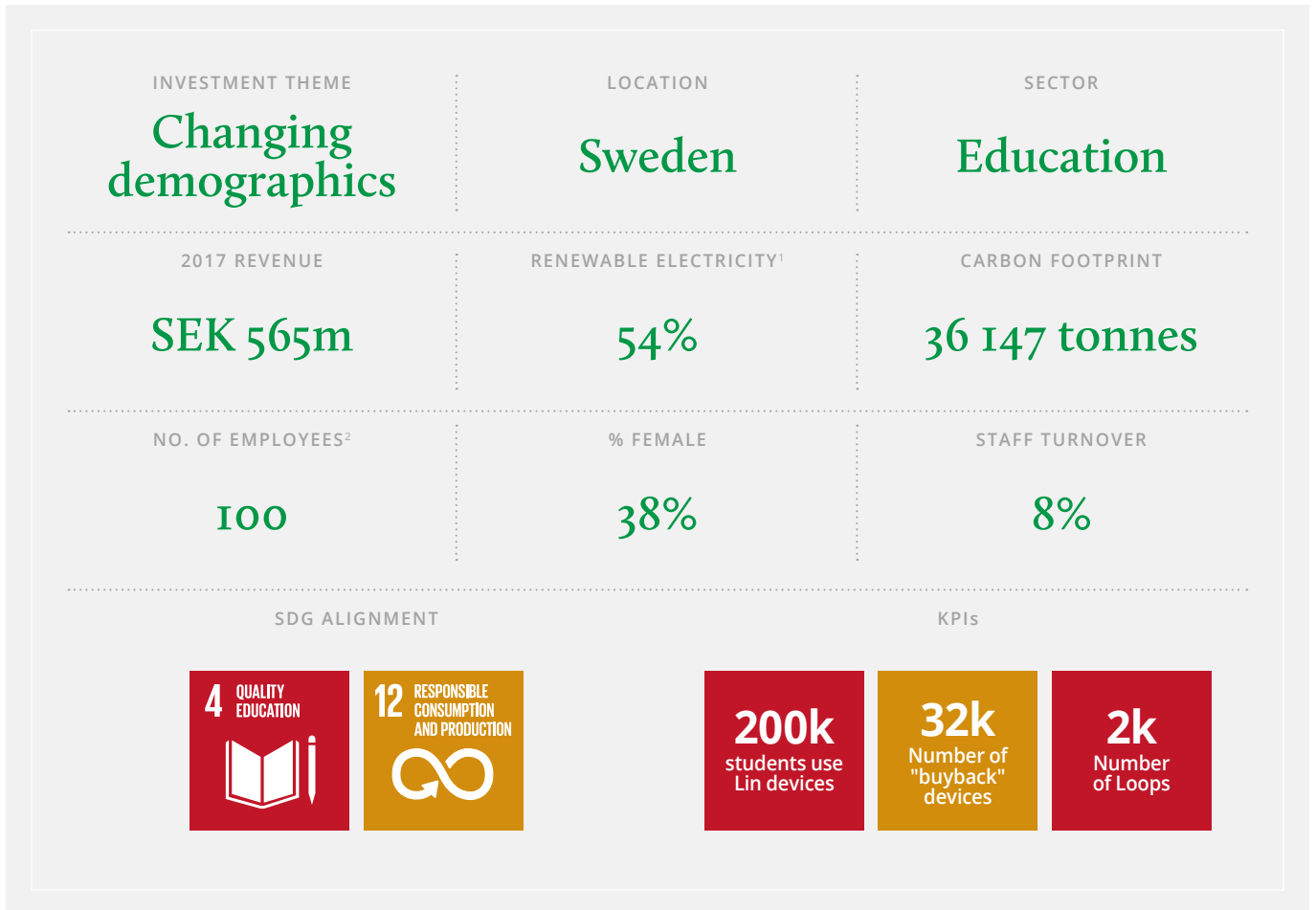
# Acqisition timeline and portfolio SDG alignment

Feb '17 – Summa Equity I: Final close at SEK4,7bn

DATE OF ENTRY		SDG ALIGNMENT
Jan '16		 
Apr '16		  
Feb '17		 
May '17		  
Jul '17		  
Apr '17		    
Jul '17		  
Feb '18		  



A difference that makes a difference for the learner



## ACTIONS

Lin Education entered the portfolio early in 2017. Between 2015 and 2017 Lin installed more than 200 000 digital tools in schools and preschools with more than 40 000 people using the company's proprietary products for learning. In 2017 Lin embarked on a project to define areas of sustainability where their value proposition could be strengthened and also established a team dedicated to expanding the scope of the device buyback business. In the autumn of 2017, Lin released Loops - a collaborative learning platform for schools and businesses.





# Lin Education

## Providing quality education

**Lin is a value-added reseller and a trusted pedagogic partner to Swedish schools with three business units – Solutions, Reuseit and Loops.** Solutions is a reseller of digital tools with range of administration, insurance, support

and pedagogic services. Reuseit is a “buyback” service and resale of used devices to new end-markets. Loops is a collaborative learning platform for schools and businesses.

**1,35**  
MILLION

primary and upper secondary  
school students in Sweden<sup>1</sup>

**200k**

total number of students with Lin devices

### CHALLENGE

Adapting education systems to the digital age is cumbersome and the transformation has only just begun. Schools need help to find the best way to deploy new technologies in the classroom.

### HOW DO WE SOLVE IT?

Lin has developed a complete solution for digitising the classroom together with teaching professionals tailored to the needs of school leaders, teachers and students. In addition, Lin helps schools manage the devices throughout the lifecycle as well as extending the average device life.

### HOW DO WE IMPROVE?

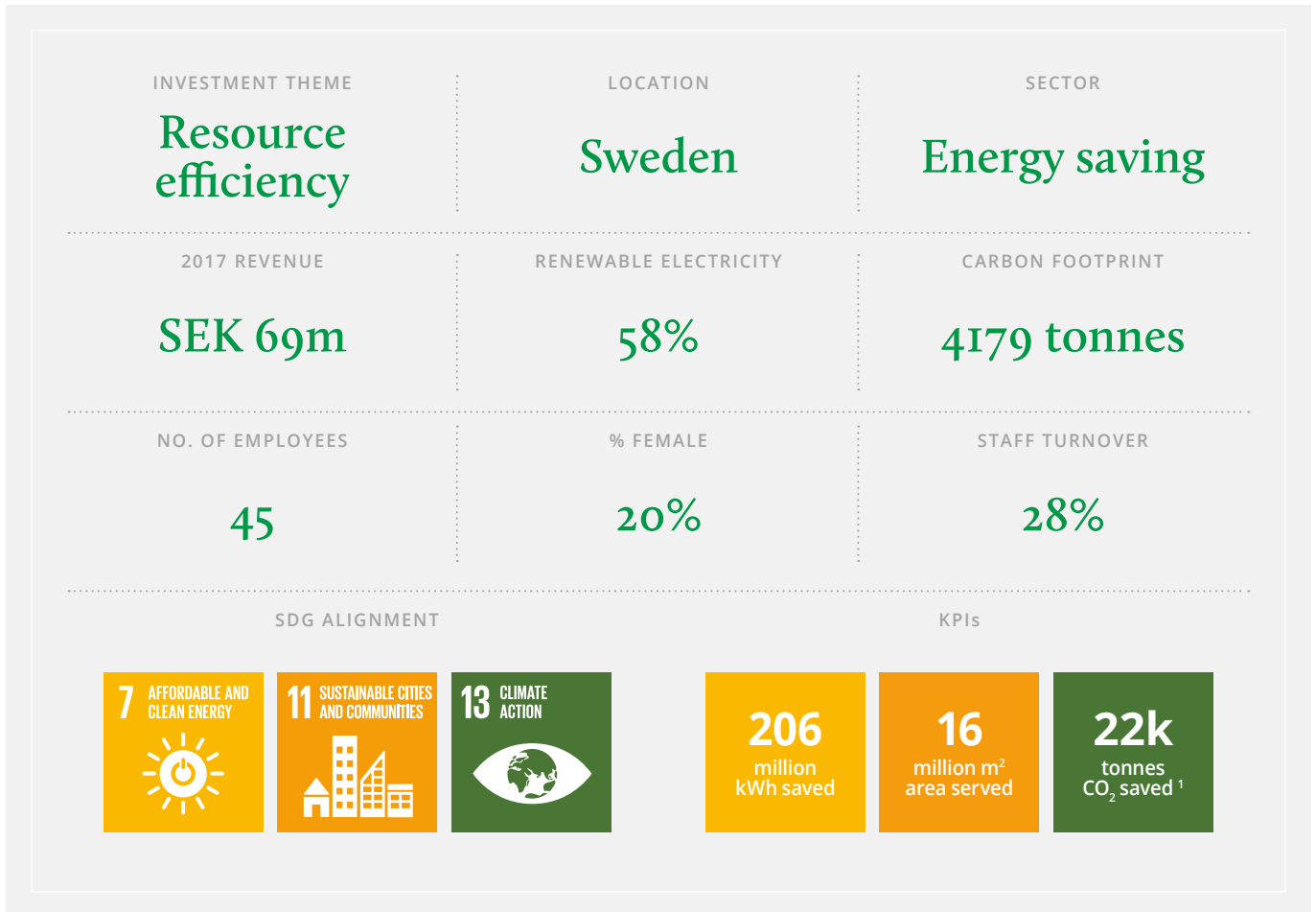
Loops, developed in-house by Lin and launched late 2017, is a collaborative learning platform built on formative learning principles together with teachers that allows users in a class or business, big or small, to develop and engage in interactive learning journeys together.

### VALUE CREATION

Lin, through Loops, has developed a digital learning company that can impact teaching and learning in organisations all across Sweden. Notably, this can be extended across the world to increase the reach and subsequent impact.

<sup>1</sup> SCB, [http://www.scb.se/statistik/\\_publikationer/uf0527\\_2009a01\\_br\\_uf08br0901.pdf](http://www.scb.se/statistik/_publikationer/uf0527_2009a01_br_uf08br0901.pdf)

## Putting an end to wasted residential energy



### ACTIONS

Egain was acquired in 2016. Having a leading position in Sweden, Egain reduces their customers' energy use by 10-20% through smart sensors, cloud-based "big data" and learning algorithms. The key focus in 2017 was to expand into new countries and to develop the organisation.



# Egain

## Significant energy and emission savings

**Egain is a leading Nordic IoT business providing remote optimisation and climate-based control of heating, addressing residential multi-apartment buildings larger than 1 000 m<sup>2</sup>.**

Through sensors and forecasted weather data, it applies an intelligent algorithm-based control of heating, which saves customers 10–20% of their energy consumption.

# 40%

of global energy consumption  
accounted for by buildings

# 36%

share of greenhouse gas  
emissions caused by buildings

### CHALLENGE

Buildings account for 40% of the energy consumption and 36% of greenhouse gas emissions in the EU<sup>1</sup>. To date, the conversion of traditional buildings into energy efficient buildings has been a slow process.

### HOW DO WE SOLVE IT?

Egain uses smart sensors and cloud-based algorithms to understand the composition of the building and predict weather patterns. Through this, Egain reduces the energy used in residential buildings that have district heating which ultimately results in an average total CO<sub>2</sub> saving of 22K tonnes per year. This is equivalent to taking 4 711 cars off the road for a year<sup>2</sup>.

### HOW DO WE IMPROVE?

If district heating providers were to employ Egain across all of their customers, they could decrease their peak production and significantly decrease the energy consumption and cost across the building. Egain can also “egainify” all buildings, not only residential buildings.

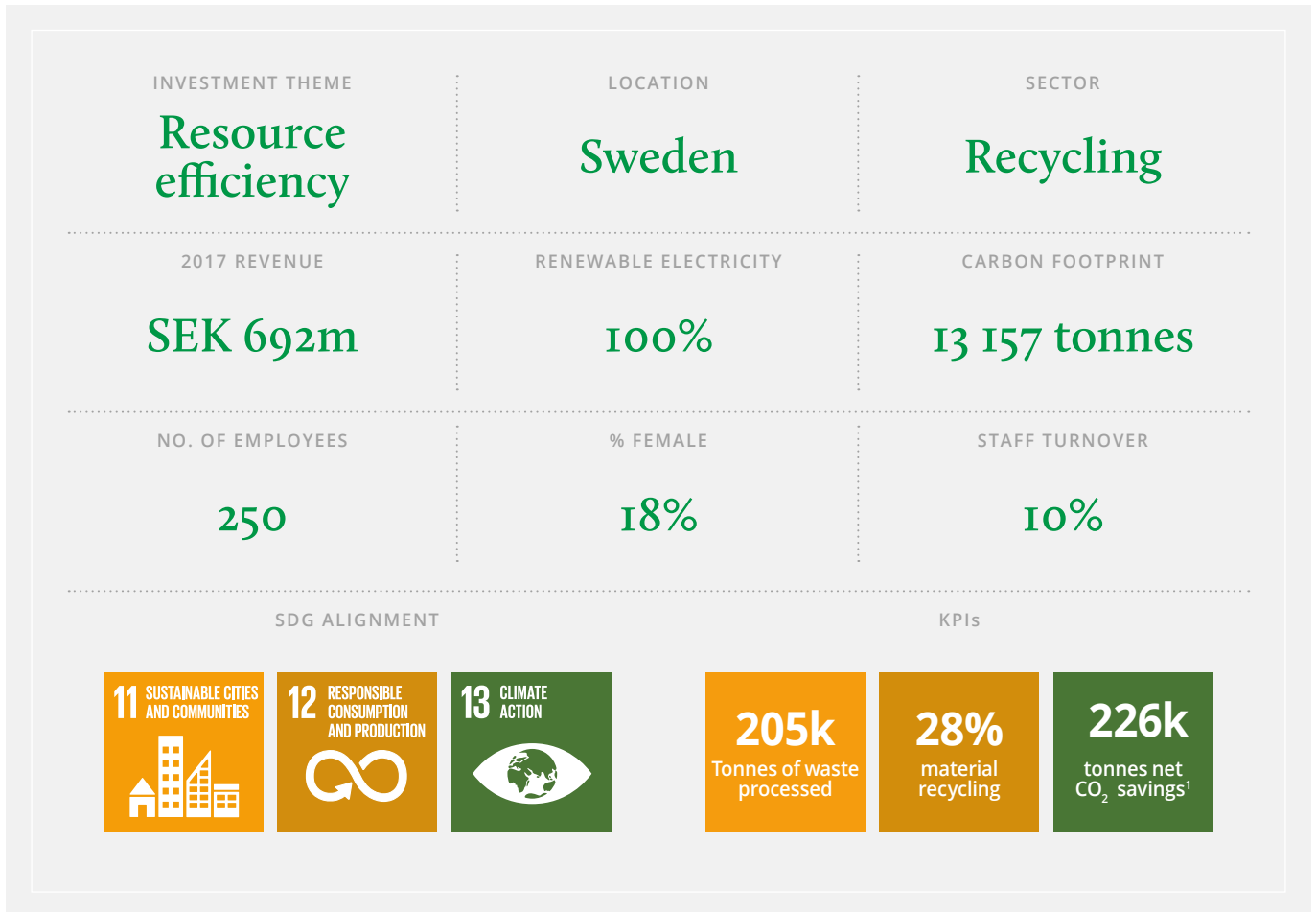
### VALUE CREATION

On a monthly basis, Egain provides significant energy savings which translates into significant cost savings across their customer base. This has positioned Egain as an attractive service provider which results in a loyal customer base and growing recurring revenues.

<sup>1</sup> EC. <https://ec.europa.eu/energy/en/topics/energy-efficiency/buildings> [accessed August 2018]

<sup>2</sup> EPA, 2018. <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator> [accessed August 2018]

## Turning Waste into Resources



### ACTIONS

Sortera was acquired in 2016, and has since become five times larger through acquisitions, gaining further scale and adding more products and services for their customers. It has expanded from Stockholm to also cover Gothenburg and Malmo. Sortera has become one of the top waste and recycling companies in Sweden, and it is also exhibiting strong organic growth. The focus on turning waste into resources and contributing to solve our challenges within CO<sub>2</sub> emissions have been key to this.



# Sortera

## Sustainable cities and communities

**Sortera is a Swedish building and industry waste collection and sorting provider.** It is one of the largest and leading niche providers of construction and industrial waste solutions in Sweden, focusing on new

build and RMI (renovation, maintenance and improvement) with an innovative approach which minimises the environmental footprint.

# 95%

of the value of primary materials are lost after the first lifecycle

# 13

## TONNES

global average material footprint per person

### CHALLENGE

On average, each individual requires over 13 tonnes of material a year to support their lifestyle. Only 5% of the value of this material is recovered<sup>2</sup>. There is overconsumption of the resources available on the planet, and the energy consumption and CO<sub>2</sub> emissions continue to be high in both extraction and production processes.

### HOW DO WE SOLVE IT?

Sortera collected 205k tonnes of waste in 2017, of which 86% was recycled. Based in Sweden, Sortera operates in Stockholm, Gothenburg, and Malmo. Here, the company has sorting, recycling, processing and temporary storage facilities to enable a circular economy. Sortera's operations result in net CO<sub>2</sub> savings of 226k tonnes yearly. This is equivalent to saving 558k barrels of oil or taking 48k passenger vehicles off the road for a year.

### HOW DO WE IMPROVE?

68% of Sortera's processed waste goes to energy recovery. By recovering a higher share of the mixed waste, plastic and wood for material re-use, resource scarcity is better addressed and CO<sub>2</sub> emissions will be further reduced.

### VALUE CREATION

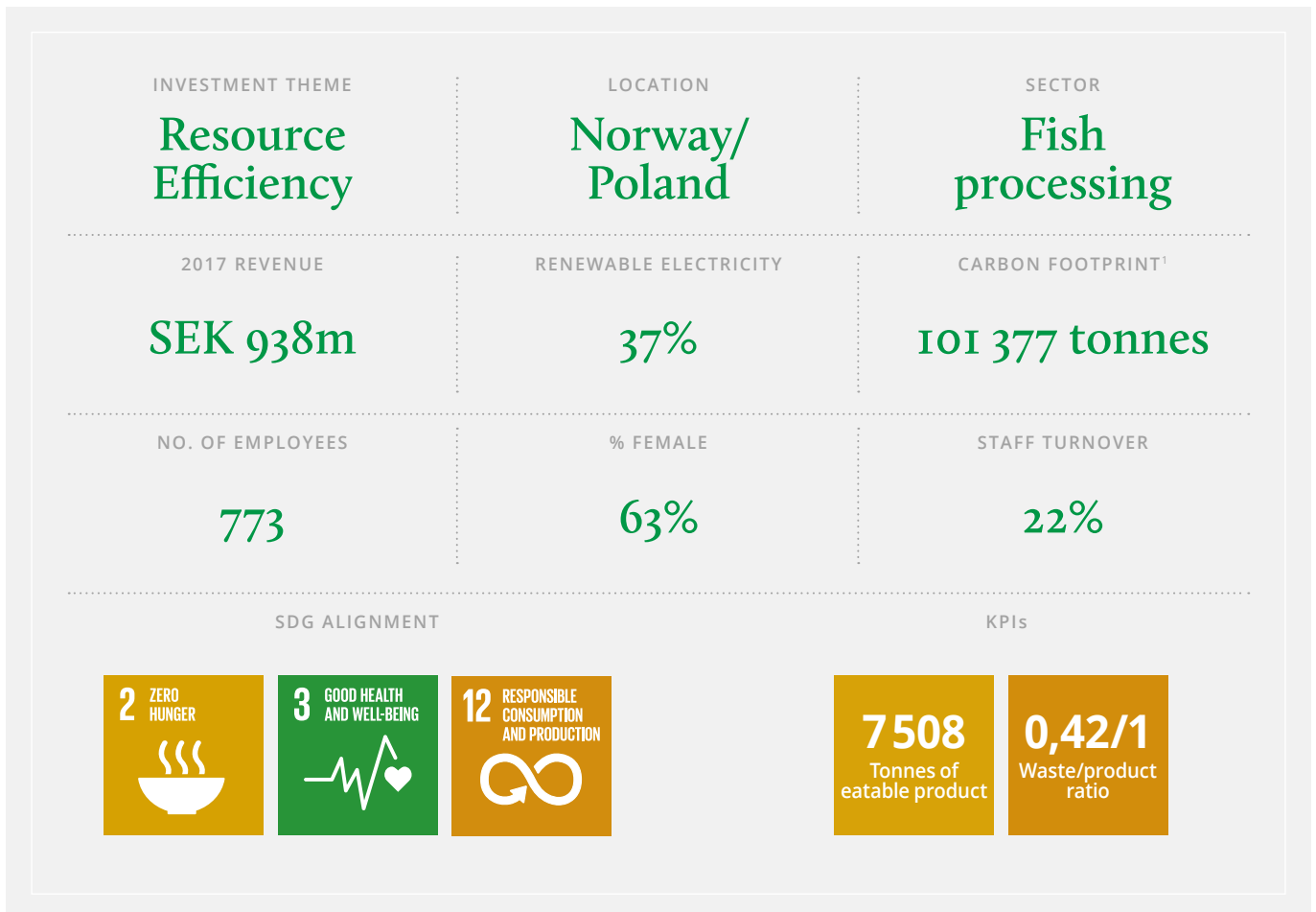
Through its industrial processes, Sortera is able to turn waste into valuable resources. This allows critical material to be re-used and also contributes significant CO<sub>2</sub> savings. Not only is this beneficial to the environment but also increases the company's revenues and margins, thus enhancing the long-term attractiveness of the business.

<sup>1</sup> Center for Business and Environment, Ellen MacArthur Foundation and SUN (2015). Stuchtey, Martin; Enkvist, Per-Anders; Zumwinkel, Klaus. A Good Disruption: Redefining Growth in the Twenty-First Century. Bloomsbury Publishing.

<sup>2</sup> EPA, 2018. <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator> [accessed August 2018]



Providing healthy, affordable meat alternatives, while reducing the CO<sub>2</sub> footprint



**ACTIONS**

Milarex was acquired by Summa Equity in 2017, which was the first full year its factory was operational. In a fragmented industry where capacity additions have been limited relative to demand, Milarex has built one of the largest and most efficient processing factories and quickly gained a strong European market position. Milarex offers needed volumes at high quality and affordable prices for the mass market.



# Milarex

## Health and climate action

**Milarex operates within the secondary processing part of the seafood value chain, mainly focused on salmon value-added products.** It operates the most advanced and purpose-built factory for salmon processing in the world using

proprietary know-how and technology. When ramped up, Milarex is estimated to become a top #2 global player and have the lowest production costs in the industry.

**1,9**  
MILLION  
adults are overweight globally

**14,5%**  
of global CO<sub>2</sub> emissions caused by livestock

### CHALLENGE

It is estimated that by 2030, the world population could reach 8,3bn people, which would require 35% more food<sup>1</sup>. Worldwide, over 1,9m adults are overweight<sup>2</sup> and could benefit from a more nutritious diet with less livestock protein. Notably, livestock contributes 14,5% of all CO<sub>2</sub> emissions<sup>3</sup>, creating an opportunity to transform the way protein is produced and consumed.

### HOW DO WE SOLVE IT?

Through one of the most advanced and cost-efficient factories for salmon processing in the world, Milarex makes seafood protein more affordable and accessible, thus helping to cover the world's rapid-growing nutrition needs.

### HOW DO WE IMPROVE?

Milarex endeavours to heighten its impact through increased production and reach. Through waste reduction and increased efficiency, Milarex can improve profit margins while reducing its carbon footprint per unit and increase nutritional impact per dollar spent.

### VALUE CREATION

Processing is a key part of the food value chain, significantly influencing both the environmental footprint and food security. Milarex tracks its SDG impact by volumes sold – the more customers buy Milarex products, the higher the impact on both consumers health and also on the planet.

<sup>1</sup> World Bank. The Global Food System in 2050. <http://pubdocs.worldbank.org/en/862271433768092396/Holger-Kray-RO-SustainableAg-hk-ray-ENG.pdf> [Accessed august 2018]

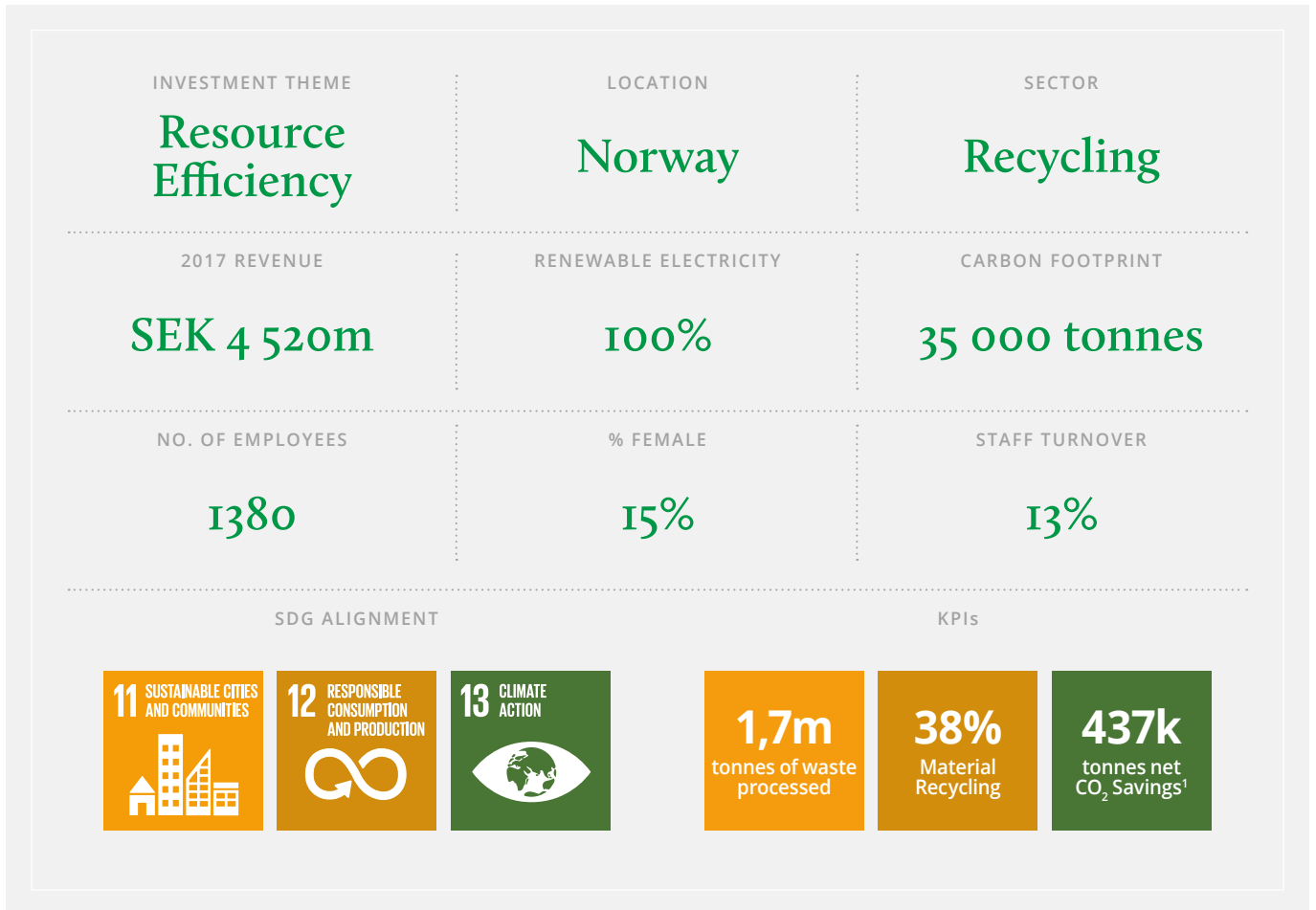
<sup>2</sup> WHO, 2018. Obesity and overweight. <http://www.who.int/news-room/fact-sheets/detail/obesity-and-overweight> [accessed August 2018]

<sup>3</sup> FAO, 2013. Tackling Climate Change Through Livestock. <http://www.fao.org/news/story/en/item/197623/code/> [accessed August 2018]

# Norsk Gjenvinning

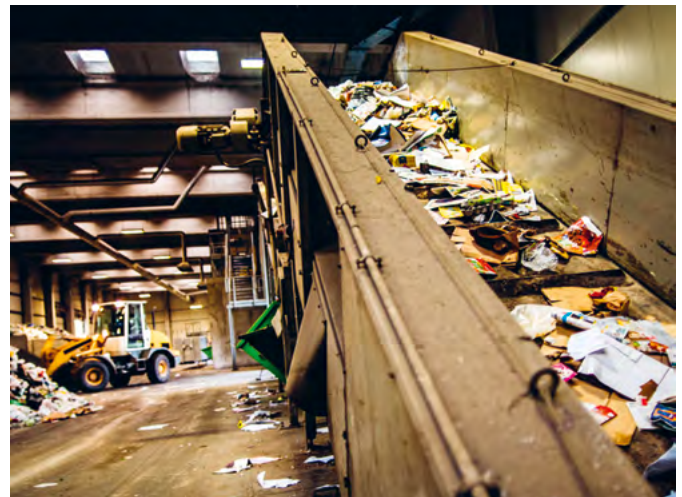


There is no such thing as waste



## ACTIONS

Norsk Gjenvinning was acquired in Q1 2018<sup>2</sup>. ESG is deeply integrated into NG's strategy as a foundation for improved profitability and growth. The strategy builds on four pillars; circular economy, social responsibility, own footprint and compliance. In developing NG's value chains through innovation, partnerships and new business models, NG provides a strong example of how reducing negative climate and environmental impact and improving profitability can go hand in hand.



<sup>1</sup> All ESG figures for Norsk Gjenvinning estimated in-house. Not based on Normative's methods.

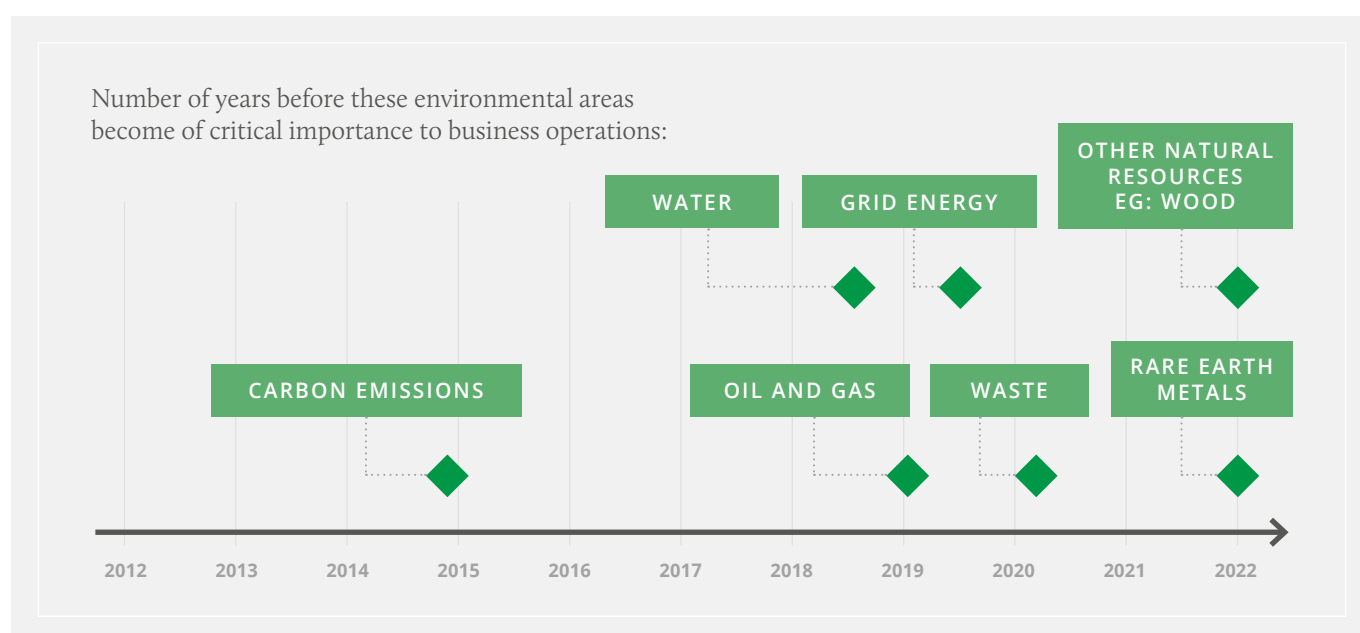
<sup>2</sup> We have chosen to present NG in this report as the acquisition was initiated in late 2017. Note, however, that it has not been aggregated into portfolio financials or ESG estimates for 2017 presented here.

# Norsk Gjenvinning

## Sustainable cities and communities

**Norsk Gjenvinning is the leading supplier of waste management services in Norway, with the largest volumes, broadest range of services and unparalleled geographic coverage.**

The company operates four divisions: Recycling, Metal, Household collection and Project based businesses.



### CHALLENGE

Waste is growing exponentially<sup>1</sup> while the supply of natural resources is scarce. With a rapidly growing population, we have no choice but to learn to recover and reuse materials, yet only 5% of consumed materials and energy are recycled today<sup>2</sup>.

### HOW DO WE SOLVE IT?

NG handles 1,7m tonnes of waste per year, of which 85% is recycled. With more than 43 000 customers and a broad range of services, NG is a critical enabler for the circular economy in Norway. NG is also recognised as a leader within compliance and responsible business practice.

### HOW DO WE IMPROVE?

Innovation and new business models are key to improve recycling of most materials. New downstream solutions increase competitiveness of recycled materials, preventing further extraction and overuse of natural resources.

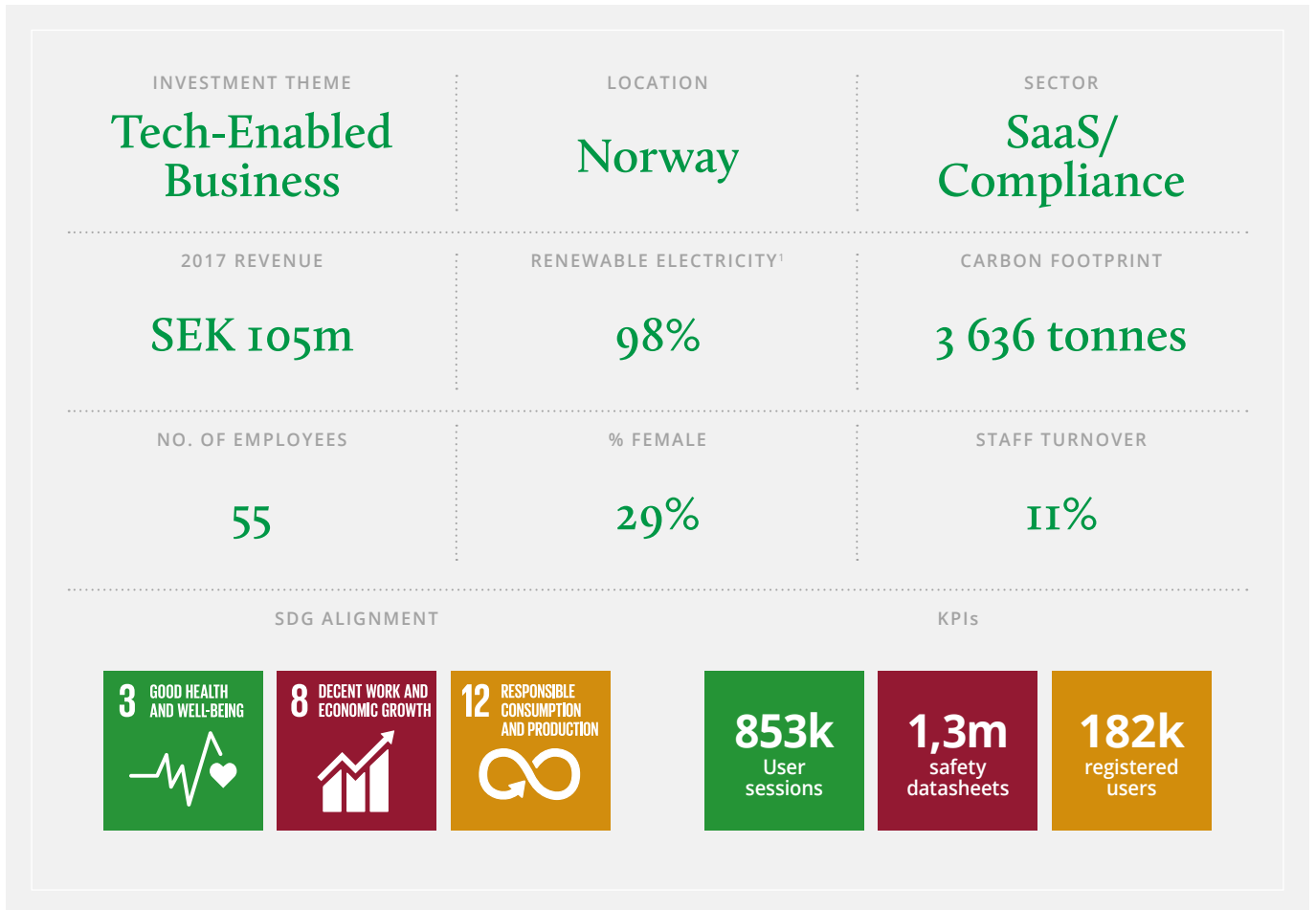
### VALUE CREATION

NG enables more waste to be processed which ultimately results in the recovery of material and energy which adds value for NG and the industry. With a strong compliance focus, NG has become a preferred partner for the growing number of responsible businesses and customers.

<sup>1</sup> Statistisk sentralbyrå [Statistics Norway], 2016. Waste accounts, 2014 [accessed July 2016]

<sup>2</sup> McKinsey Center for Business and Environment, Ellen MacArthur Foundation and SUN (2015). Stuchtey, Martin; Enkvist, Per-Anders; Zumwinkel, Klaus. A Good Disruption: Redefining Growth in the Twenty-First Century. Bloomsbury Publishing.

Optimising safe handling of chemicals in the workplace



**ACTIONS**

EcoOnline was acquired by Summa Equity in 2017. Nearly all sectors use chemicals and are therefore required to comply with legislation to ensure the health and safety of their employees. Many companies find it difficult and costly to ensure compliance; EcoOnline’s purpose-built software helps solve this problem. EcoOnline is the best software solution in the Nordic market and will continue to expand within broader HSEQ<sup>2</sup> in the Nordics as well as other selected geographical markets.



<sup>1</sup> Based on Norwegian average.

<sup>2</sup> Health, safety, environment and quality.

# EcoOnline

## Easing regulatory compliance

**EcoOnline is a Nordic SaaS player, focused on making safety data sheet (SDS) and risk compliance easier for companies exposed to chemical substances.** It has the largest SDS database in the Nordics and has developed a

unique software capability to automatically update end-users' SDS inventories when producers issue new information, enabling significant network effects.

# 58 000

deaths are caused in Europe annually  
by unintentional poisonings<sup>1</sup>

# 2-8%

share of cancers caused by  
occupational carcinogens<sup>1</sup>

### CHALLENGE

A substantial share of companies with exposure to chemicals in the workplace fail to comply with EU legislation. This means that employees and communities may be exposed to various types of substances that are harmful to human health and/or to the environment.

### HOW DO WE SOLVE IT?

EcoOnline provides a digitised platform that makes it easier for companies to share and store legally required data around the properties of industrial chemicals as well as the recommended precautionary measures.

### HOW DO WE IMPROVE?

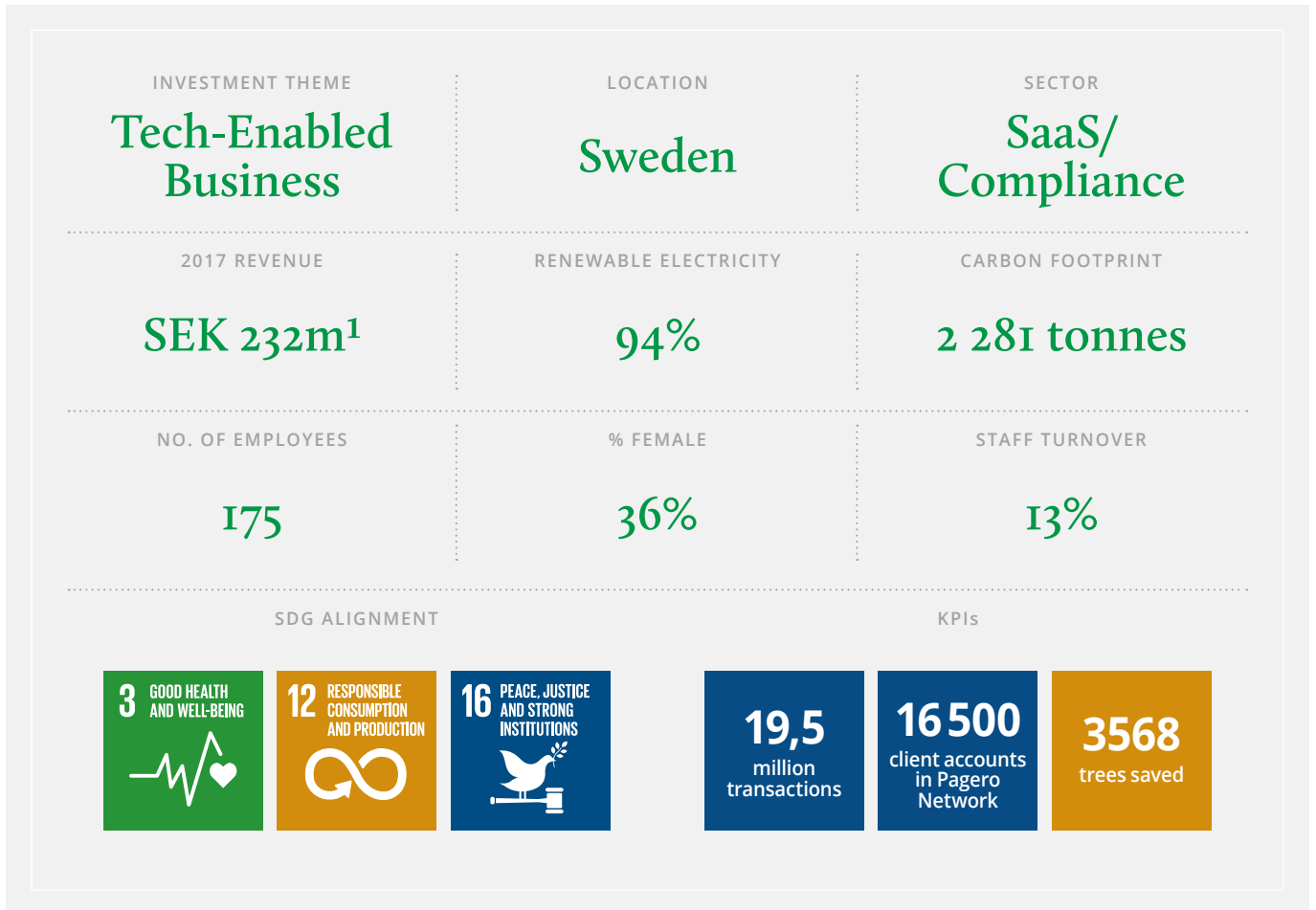
By attracting more customers, EcoOnline reduces the likelihood of injuries due to chemicals at work and minimises the environmental impact of industrial activities.

### VALUE CREATION

By facilitating regulatory compliance for its customers, EcoOnline increases its revenues while improving the quality of the database. For society, EcoOnline speeds up the adoption of best-practices and ultimately reduces the impact of using harmful chemicals.

<sup>1</sup> WHO, 2018. Chemical Safety. <http://www.euro.who.int/en/health-topics/environment-and-health/chemical-safety/chemical-safety> [accessed august 2018]

Facilitating global e-business through a single connection



**ACTIONS**

Pagero is a SaaS provider acquired in 2017. In the last year, Pagero has aimed to increase its impact in the healthcare sector, where its solutions help facilitate standardised processes between hospitals and their suppliers. In December, Pagero acquired HBS (Health Business Solutions), which will significantly strengthen their position in the healthcare value chain. A drive to enable international expansion of the network, as well as building the international organisation, has resulted in about 80 000 hours invested in R&D.





# Pagero

## Improved compliance and reduced paper waste

**Pagero develops and markets Pagero Online, a cloud based network for communication of business documents within the purchase-to-pay, order-to-cash and logistics-to-pay processes.**

Pagero Online is independent of the ERP system and is applicable to companies of all sizes and within all industries.

# 12%

share of expected VAT revenue lost due to non-compliance across the EU-27. This amounted to €151,1 Bn. in 2015<sup>1</sup>

# 10 000

sheets of paper are used each year by an average office worker<sup>2</sup>

### CHALLENGE

The need to reduce paper waste and ensure compliance in business transactions has led to a regulatory drive in Europe to digitise business communication. Adoption remains low to date and new technology is the source of future accelerated adoption.

### HOW DO WE SOLVE IT?

Pagero Online seamlessly facilitates e-business across national borders ensuring that documents sent are compliant with e.g. local VAT, GDPR etc. In parallel, it eliminates waste volumes and reduces costs.

### HOW DO WE IMPROVE?

As Pagero's end users increasingly digitalise their processes, the benefits are significant. Manual processing costs are eliminated, compliance is ensured and decision-making is strengthened through the provision of complete and accurate business-critical information in real time.

### VALUE CREATION

Pagero believes that the scale of its network and the strength of the underlying technology are key. The company therefore employs a usage driven business model which is highly scalable and as the clients' reliance on Pagero Online grows, so does Pagero's business.

<sup>1</sup> EC, 2018. [https://ec.europa.eu/taxation\\_customs/business/tax-cooperation-control/vat-gap\\_en](https://ec.europa.eu/taxation_customs/business/tax-cooperation-control/vat-gap_en) [accessed August 2018]

<sup>2</sup> MPCA, 2018. <https://www.pca.state.mn.us/quick-links/office-paper> [Accessed august 2018]

# Summa Digital



Changing demographics

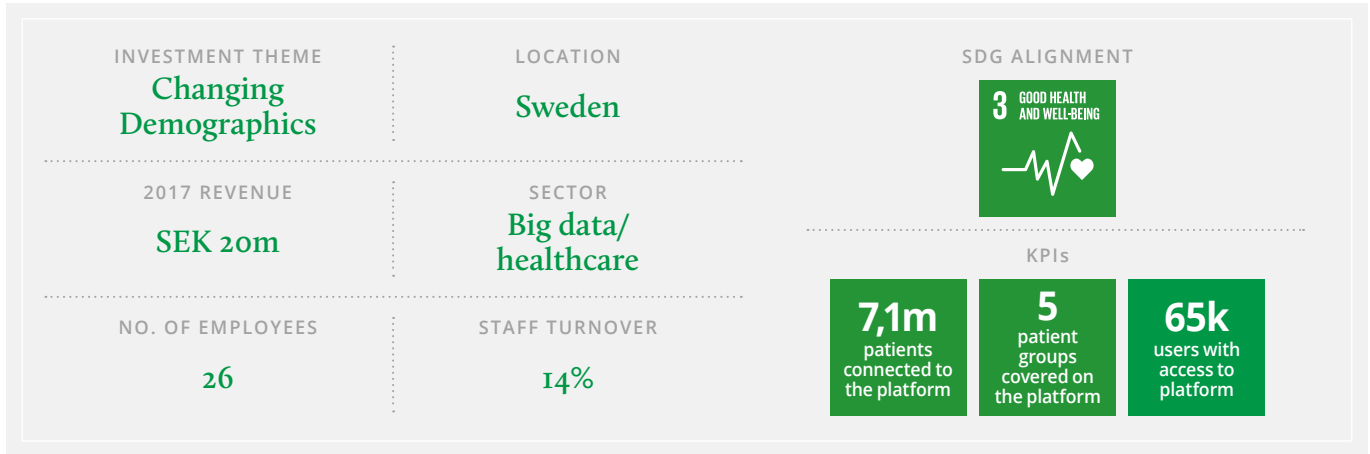


Tech-enabled business

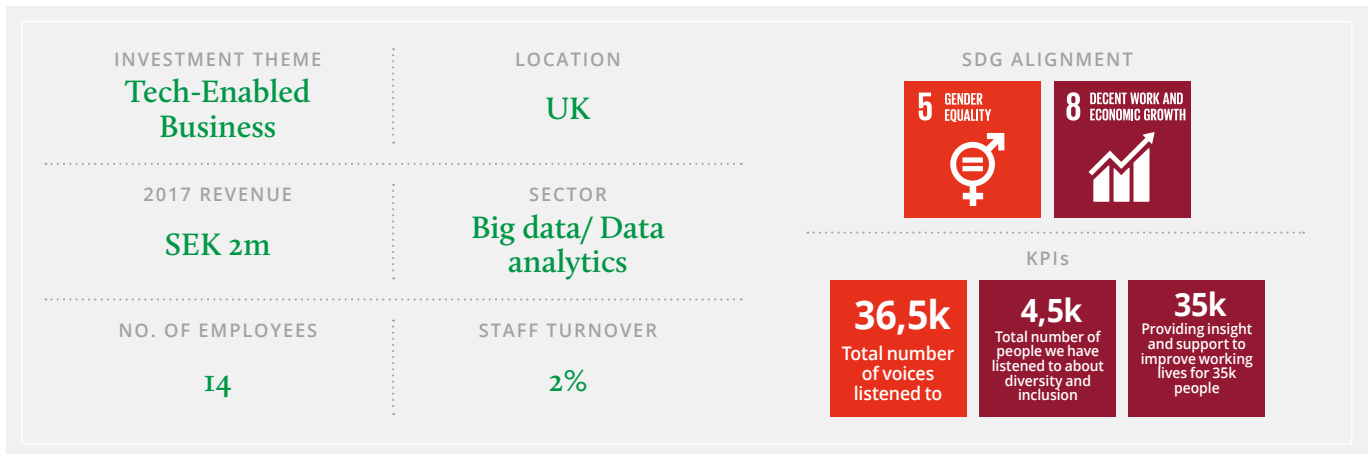


## Ivbar

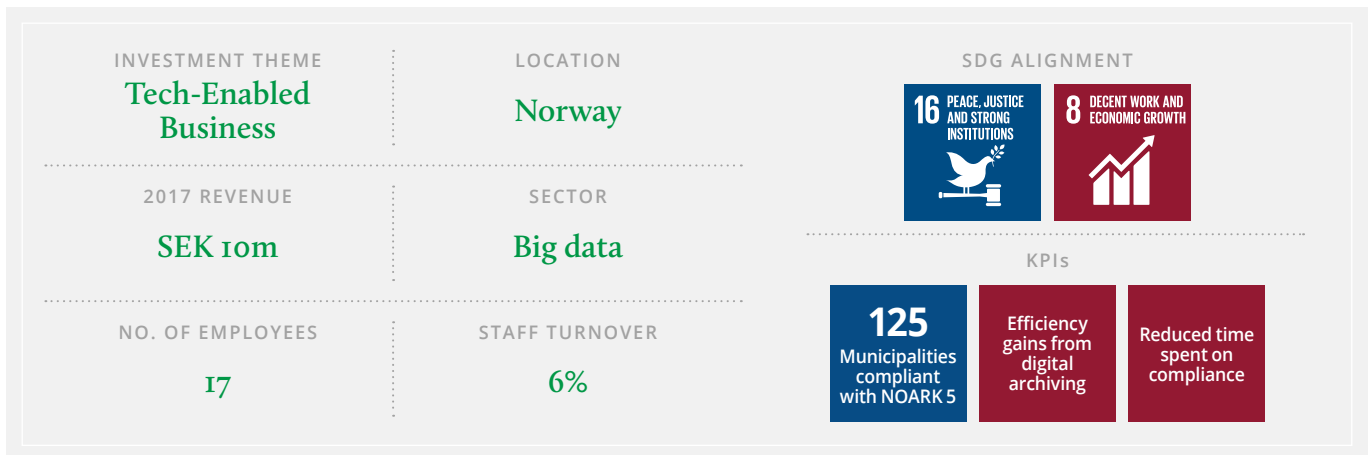
## IVBAR



## Qlearsite



## Documaster



# Summa Digital

## IVBAR

### Improve healthcare outcomes while reducing costs

IVBAR is a digital health company based in Sweden that has developed technology to support a fundamental shift in how healthcare is delivered. IVBAR's data analytics solutions enables health authorities, payers and providers to optimise resources and improve health outcomes.

#### CHALLENGE

There are two root causes for healthcare dearth; inadequate transparency and poorly designed payment models. These lead to incentives for over treatment, lack of accountability for results and no value optimisation.

#### HOW DO WE SOLVE IT?

IVBAR's platform presents an unprecedented level of transparency and insights into healthcare, used to identify potential, benchmark performance and create new payment models for better quality of care and cost efficiency.

#### HOW DO WE IMPROVE?

Higher market penetration is key for IVBAR's impact. More customers, higher usage and increased patient group coverage implies data for more powerful analysis and broader reach of positive impact on healthcare.

#### VALUE CREATION

IVBAR generates strong value for patients and users. E.g., introducing bundled payment in spine surgery, cost per patient went down by 6% with insights leading to improved screening, standardized processes and more focus on reducing complications.

## Qlearsite

### HR management to encourage a motivated workforce

Qlearsite is an early actor in the rapidly growing field of people analytics for human resource management. The company has developed a technology specifically designed to analyse and make predictions about the behaviour of people in a workforce, providing critical information to engage and motivate people.

#### CHALLENGE

Improvements in workforce productivity can only be achieved if leaders are aware of what their employees are doing and how they are feeling. Only then can they plan the right actions in order to improve culture, inclusion, diversity and engagement.

#### HOW DO WE SOLVE IT?

Qlearsite's people analytics platform equips leaders with the essential insights to support the planning and execution of workforce strategy. In combining behavioural, demographic, language and performance data they can help teams direct and engage their workforce.

#### HOW DO WE IMPROVE?

Qlearsite supports companies in achieving financial growth driven by a healthy and happy workforce. With strong customer use cases, Qlearsite promotes focus on active management for a good work environment that goes hand in hand with economic incentives.

#### VALUE CREATION

With Qlearsite's technology organisations have experienced significant financial and cultural benefits associated with improved engagement and inclusion, reduced absenteeism, lower levels of attrition and better targeting of talent.

## Documaster

### Enabling digital compliance

Documaster is a Norwegian software company providing digital record management solutions, with core competence on digitalisation, information management and cloud-based archiving of valuable data.

#### CHALLENGE

The ongoing digitalisation and exponential growth of data has made digital record management more complex and the requirement for transparency and accountability has become increasingly important.

#### HOW DO WE SOLVE IT?

Documaster enables the management of large amounts of data in cloud-based, easily retrievable, compliant archives. The technology strengthens democratic institutions by enforcing transparency and anti-corruption.

#### HOW DO WE IMPROVE?

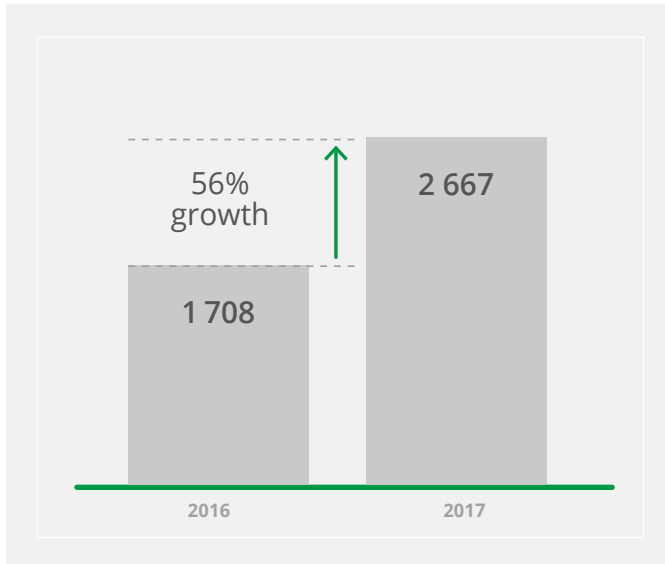
To maintain a high product standard and ensure compliance, continued product development with attention to IT security and regulatory change is key. Successful adaptation to local regulations is crucial as Documaster enters new markets.

#### VALUE CREATION

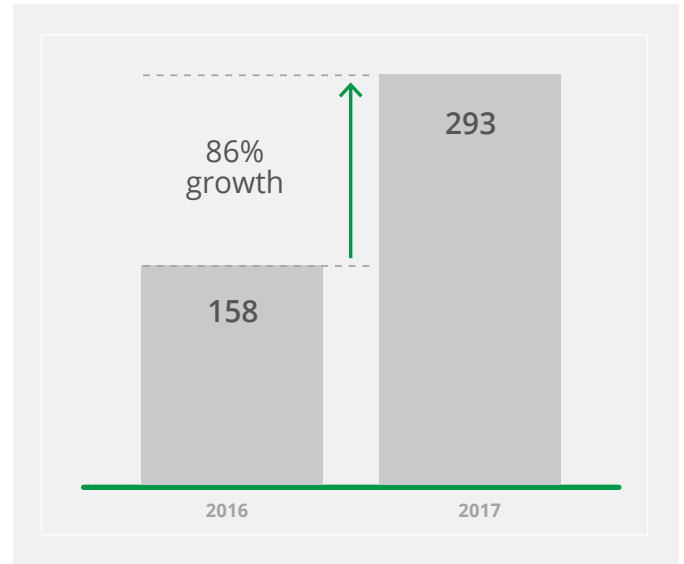
Over 125 public sector organisations in the Nordics have been made systematically compliant with local regulations through Documaster's solutions.

# Financials

Revenue (SEK<sup>1</sup>m)



EBITDA (SEK<sup>2</sup>m)



## UN PRINCIPLES FOR RESPONSIBLE INVESTMENT

Summa Equity is committed to the Principles for Responsible Investment (PRI), and we have reported for the first time after year-end 2017, fulfilling our obligations as a signatory.

Robeco has also performed an independent assessment in accordance with the PRI methodology. The table to the right presents an overview of our module scores.

Module	2017 Level	2018 Level	Change
01. Strategy & Governance	n/a	B	-
02. Private Equity	n/a	A	-

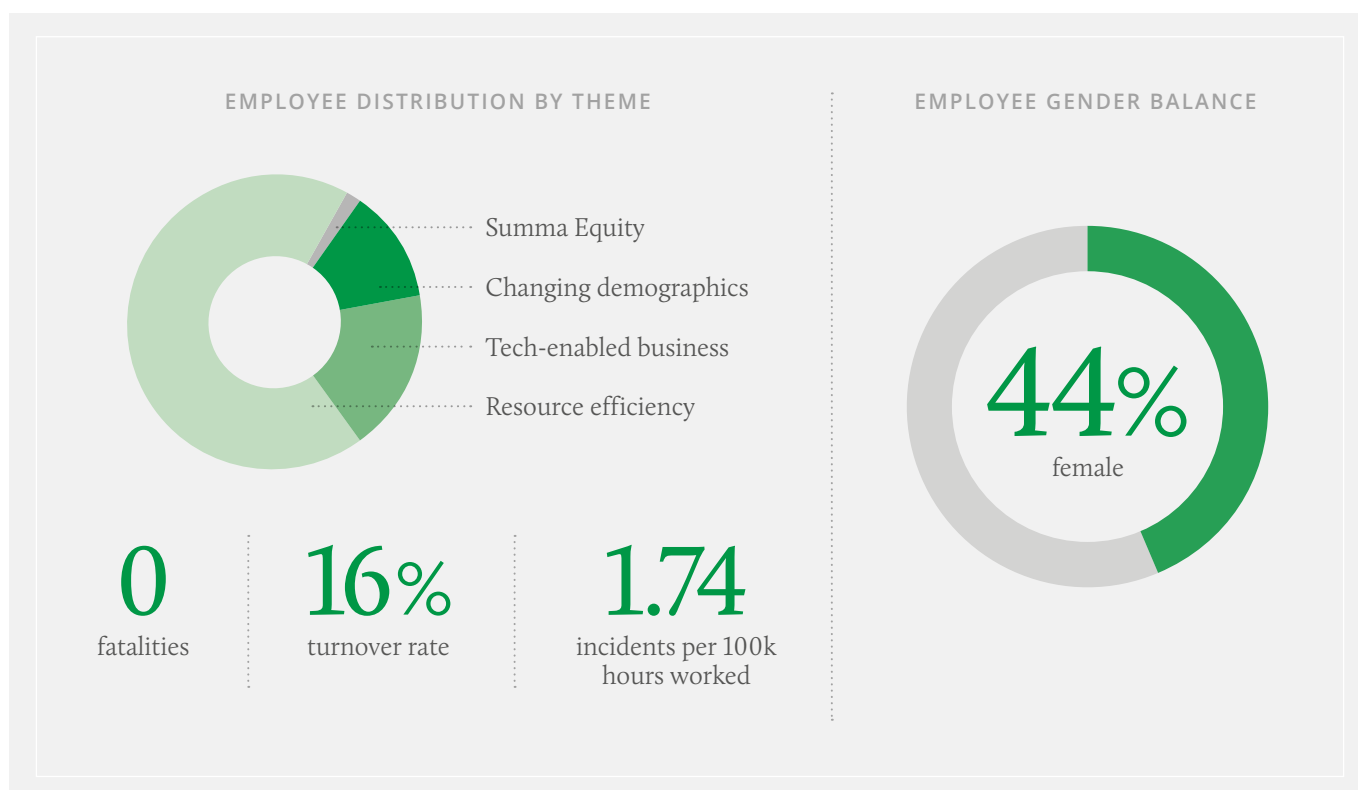
<sup>1</sup> adjusted for portfolio add-ons; excludes NG.

<sup>2</sup> adjusted for portfolio add-ons; excludes NG; excludes Summa Digital.

# Social aspects

Summa Equity believes it important to assess and report on the social and environmental impact of our portfolio companies<sup>1</sup>. The estimates presented here build on self-reported data, considering materiality (relevance) as well as data availability. Pragmatic considerations and prioritisations have been made to set

a starting point for further improvements in reporting structure and impact assessment<sup>2,3</sup>. We consider this an ambitious start to a continued journey to enhance positive impact and lower risk. In order to improve quality and uniformity in calculations, we have partnered with Normative to compile and analyse the data<sup>4</sup>.



<sup>1</sup> Norsk Gjenvinning is not included in the aggregate statistics due to the acquisition being finalised in 2018.

<sup>2</sup> Social Metrics: IVBAR, EcoOnline, Sortera, Pagero Egain and Summa equity provided aggregated HR statistics, while Qlearsite, Documaster, Milarex and Lin Education submitted raw data for analysis. This results in some differences in calculation methods. Safety incidents aggregated for Milarex and Sortera only.

<sup>3</sup> Environmental Metrics: Transactions data was returned for all companies except for Qlearsite. Emissions from electricity use has been analysed

for all companies except Qlearsite, Lin Education and Summa Equity. Direct emissions from fuel use considered for Sortera only.

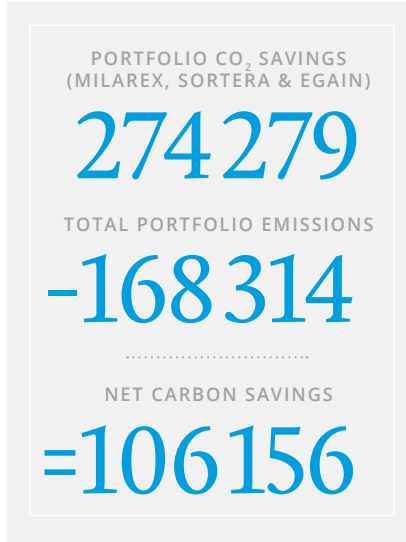
<sup>4</sup> See <https://normative.io/en/> for more information on Normative's methodology

<sup>5</sup> Green House Gases (GHG) are a collection of six gases that have an impact on the earth's warming. Emissions are considered within three Scopes as follows; Scope 1: Fuel combustion, company vehicles and fugitive emissions. Scope 2: Consumption of purchased electricity, heat or steam. Scope 3: The extraction and production of purchased materials and fuels, transport-related activities etc.

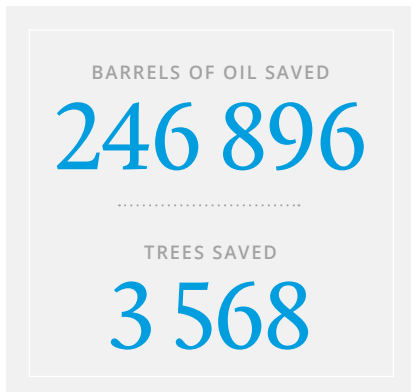
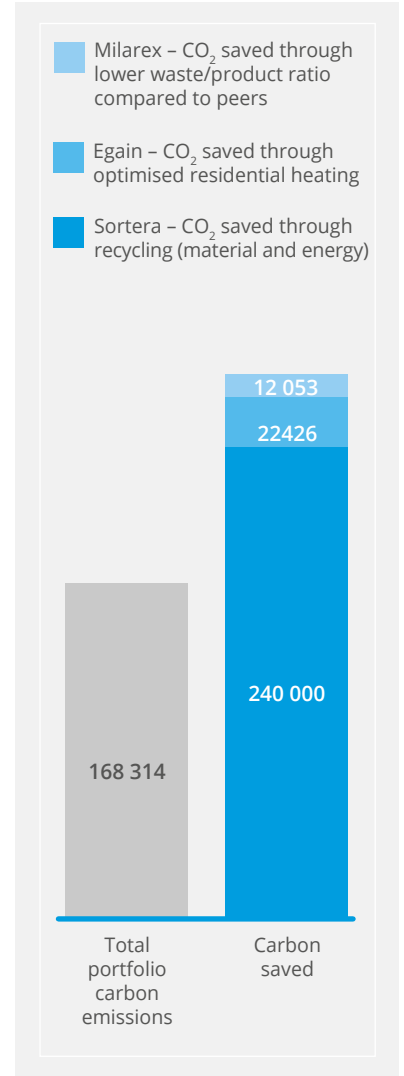
# Environmental Aspects

In line with our ambitions to measure greenhouse gas emissions<sup>1</sup> across our portfolio, Normative has provided AI-powered analytics of external spending for each firm's transactions with suppliers. This is done by using machine learning to automatically classify suppliers into sectors (UNSPCS) for each country, after which the correct emission factors may be applied based on an extensive database of output from regional analyses. This provides a comprehensive and detailed view built on sector averages that includes every purchase made in each organisation. Where relevant, available data on vehicles, driving, fuel combustion and electricity use have also been considered.

## TONNES CO<sub>2</sub>

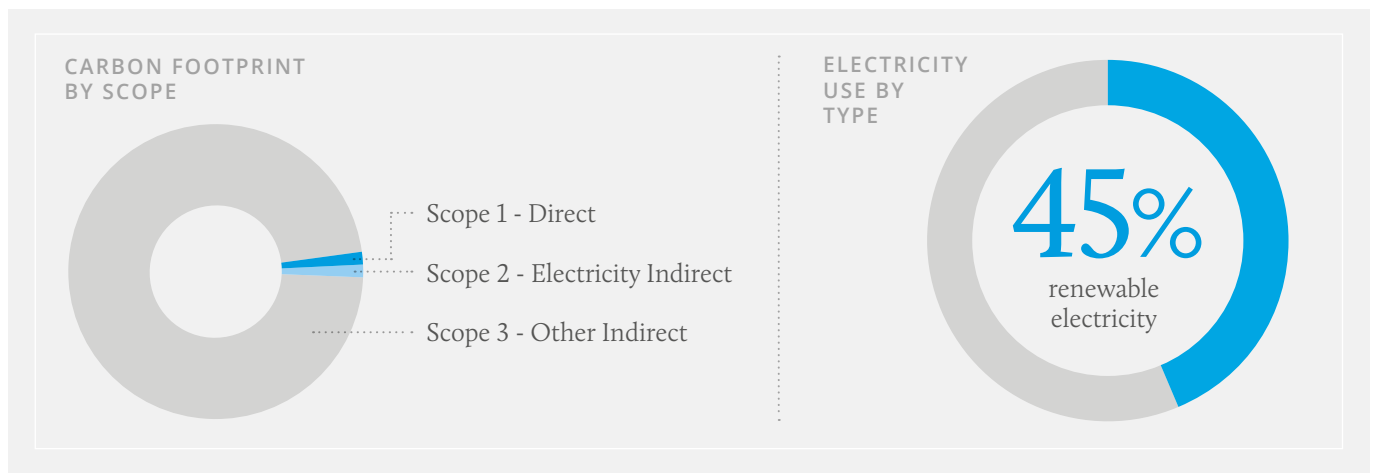


## PORTFOLIO CARBON EMISSIONS VS SAVINGS



Summa Equity's portfolio emitted 168k tonnes of CO<sub>2</sub> in 2017 based on Normative's estimates. In comparison, Sortera, Egain and Milarex saved 274k tonnes through their operations. This results in net CO<sub>2</sub> savings of 106k tonnes for the portfolio, which is equivalent to saving 247k barrels of oil.

In addition, Pagero reduces paper waste by digitising business transactions. Based on the number of transactions, we estimate that Pagero saved 3 568 trees in 2017.



<sup>1</sup> Based on comparative waste/product ratio of Milarex vs average in UK-based fish processing.

# Meet the Summates



ELISABETH AANONSEN



REHAB ABDELKADER



ALEXANDER BJØRKLUND



RICKARD EL TARZI



GISLE GLUCK EVENSEN



REYNIR INDAHL



HANNAH JACOBSEN



JENNY KEISU



JOHANNES LIEN



CHRISTIAN MELBY



JOHAN PIETILÄ HOLMNER



ANNA RYRBERG



MARTIN SJÖLUND



JOAKIM SUNDBY JOHANSEN



NILS H THOMMESSEN



TOMMI UNKURI



MICHAEL VOLLSET



ANJA WIK



## Summa Board



GÖRAN CARSTEDT



PER-ANDERS ENKVIST



MIRJA LEHMLER-BROWN



ANNA RYOTT



MARTIN SKANCKE



KARI ULRUD MOEN



