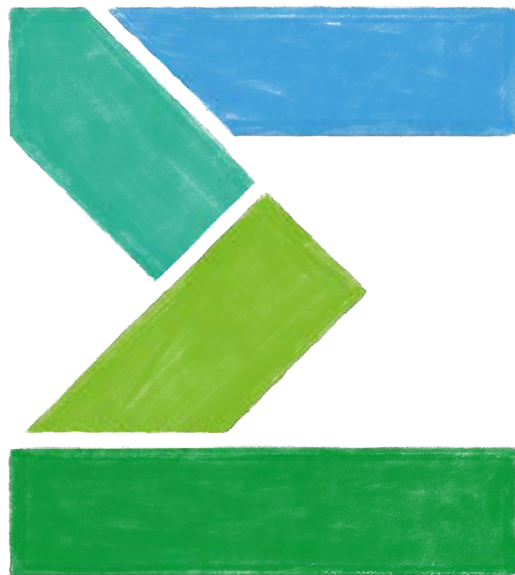


# Report on climate and nature 2023



Investing to solve  
global challenges



# Report on climate and nature

Aligned with the TCFD and TNFD recommendations

We are facing an existential environmental crisis. Climate change, depletion of natural resources, and biodiversity loss are all major issues that need to be addressed. A forceful response is necessary, which will require a paradigm shift in human activity to mitigate and adapt to the impacts of these issues. It is vital that immediate action is taken to address these issues, as the longer we wait, the more difficult and costly it will be to solve them.

Summa has chosen to align with the frameworks Task Force on Climate-related Financial Disclosures (“TCFD”) and Taskforce on Nature-related Financial Disclosures (“TNFD”) to support the work of identifying and managing climate and nature-related risks and opportunities. We firmly believe that credible and comparable data regarding companies’ climate and nature-related dependencies, impacts, risks, and opportunities enables market participants to assess and integrate nature-related financial risks into their decision-making processes. We therefore support the development of global frameworks and tools that make it easier to manage climate and nature-related risks, such as the TCFD and TNFD frameworks and transparently report our climate and nature footprint based on the best available market practices.

We use the double materiality principle in our work on climate change and nature. We not only consider the financial risks and opportunities that our investments face in relation to climate or nature impacts (outside-in), but also the impacts that our investments have on the world (inside-out).

Summa uses the following time perspectives in relation to climate and nature-related risks and opportunities:

- Short-term: up to 5 years
- Mid-term: 5 - 10 years
- Long-term: more than 10 years

The scope of this report is climate and nature-related issues connected to Summa’s investments. Given the size of the companies Summa invests in, there are certain limitations to the data available on climate and nature, especially regarding supply chains. During our ownership, we support portfolio companies to become more mature on all climate and nature-related aspects, including identification, prioritization, management, and reporting.

# TCFD and TNFD framework

## Overview

### Governance ●

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- C. Human rights

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- B. Effects on Summa's investment strategies
- C. Scenario analysis
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- C. Integration of climate- and nature-related risks into risk management

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- C. Targets



# Governance

## Summa's management of climate and nature-related dependencies, impacts, risks, and opportunities

Summa is a purpose-driven, thematic investment firm that invests in and develops companies that provide new and innovative solutions for a more future-proof world. Summa is owned by its partners and the Summa Foundation.

### **A. The Board's oversight of climate and nature-related impacts, dependencies, risks, and opportunities.**

Governance of our commitments and actions on climate and nature sits at the highest level of Summa - the Summa Board. The establishment and oversight of Summa's climate and nature-related risks and opportunities are outlined in Summa's Environmental and Climate Change Policy, which has been adopted by the Board. It is reviewed annually or whenever a material change is warranted.

The Board is accountable for defining and overseeing the implementation of the principles and objectives in the Environmental and Climate Change Policy. The Board has the responsibility to ensure adequate principles for addressing climate change, depletion of natural resources, and biodiversity for Summa. The Board continuously receives information about Summa's work on impact and sustainability, including climate and nature-related issues.

### **B. Management's role in assessing and managing climate and nature-related impacts, dependencies, risks, and opportunities.**

The CEO has the overall responsibility for the operational work on climate change, depletion of natural resources, and biodiversity for Summa, but the strategic work is developed together with the thematic partners, the management team, and the impact director. The CEO ensures the implementation of practices that address climate-related risks and opportunities in accordance with the TCFD and TNFD recommendations. This involves overseeing the integration of climate and nature-related considerations into decision-making processes, setting clear objectives, allocating resources appropriately, and fostering a culture of transparency and accountability throughout the organization to effectively manage climate and nature-related impacts and seize opportunities for sustainable growth. The impact director is part of the value creation team and is responsible for coordinating the sustainability work, supporting the fund management organization in the integration, and reporting on climate and nature-related impacts, risks, and opportunities.

### **C. Human rights policies, engagement, and oversight in relation to nature, indigenous peoples, local communities and affected and other stakeholders.**

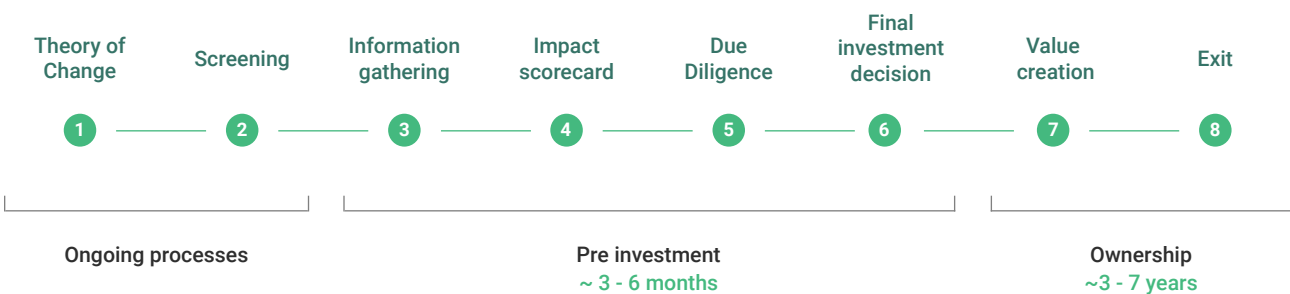
Summa recognizes the strong link between climate, nature, and human rights. Summa's work on human rights is governed by the Human Rights Policy, which follows the UN Guiding Principles on Business and Human Rights. The Human Rights Policy also addresses indigenous peoples, in particular regarding the use or production of natural resources. The Human Rights Policy defines Summa's expectations on portfolio companies and explains the due diligence processes (pre-investment) and monitoring (post-investment) in relation to this issue. The work on human rights is supervised by the Board and management in the same way as climate and nature, as explained in previous sections.

# Strategy

## The effects of climate- and nature-related dependencies, impacts, risks and opportunities on Summa’s business model and strategy

Summa was founded in 2016 with the aim of investing to solve global challenges. This means that Summa does not only manage the risks related to climate and nature, but also actively invests in companies that contribute to solving challenges related to climate and nature through their products and/or services.

We fundamentally believe that this approach does not only futureproof the portfolio in terms of sustainability, we believe that it is also a prerequisite for good long-term financial returns. Summa integrates sustainability considerations, including climate and nature impacts throughout screening, analysis, due diligence, and the path to value creation. Companies are assessed for impact alignment with potential to address a clear social and/or environmental challenge. Deals representing low impact potential are deprioritized.



The integration of climate and nature related impacts, risks and opportunities occurs early in our investment processes, and acts as a fundamental piece of our assessment. Theories of Change are developed for all relevant subthemes, detailing expected outcomes and outputs. Climate and nature are specifically addressed under our Resource Efficiency and Tech-Enabled Transformation themes. The Theory of Change framework informs the screening process, where the impact thesis is initially evaluated, as well as a preliminary assessment of the Do No Significant Harm (“DNSH”) criteria and exclusion criteria. Prior to due diligence, we examine the details of the impact contribution, gain initial views on key governance aspects, and how the company might positively or negatively affect stakeholders through an impact scorecard, where both climate and nature-related aspects are covered. A third-party provider then verifies these initial assumptions during due diligence. Finally, an investment decision will be made by the Investment Committee.

During our ownership, Summa aims to enhance impact performance, including portfolio companies’ management of climate and nature-related impacts, risks, and opportunities. Summa continuously evaluates relevant impact priorities and opportunities, including those related to climate and nature, during ownership and through to exit, which is part of our ambition to futureproof companies and sell at a point when company growth is aligned with impact. Value creation recommendations during the deal process serve as the foundation for an active approach to portfolio management, including the company’s three-phase plan and the initial 30-60-90 plan that outline immediate priorities post-acquisition and is aligned with findings from due diligence.

Active ownership includes engagement and capacity building for investee companies on fundamental areas, for which Summa sets shared goals for all companies, such as setting Science-Based Targets for climate.

## A. Climate and nature-related impacts, dependencies, risks, and opportunities identified by Summa in the short, medium, and long term.



### Climate change

Climate change poses both risks and opportunities for the portfolio companies. Climate change risks are divided into transition risks and physical risks. Both risks could ultimately result in financial risks for Summa in the future and therefore need to be managed.

Transition risks are risks associated with a transition to a low-carbon society, including technology, regulatory, market, and reputational risks. If such risks materialize, they can lead to diminishing valuations of certain companies, but they can also create opportunities for companies that have products, services and business models that serve or are aligned with a low-carbon economy. Physical risks are divided into acute and systemic risks. Such risks can affect portfolio companies that have activities in places where there might be e.g. floods, fires, increased temperatures, or sea level rise.

In the short term, our portfolio companies are assessed to have low climate risk, given the sectors and geographies we invest in. With increased climate risks in the medium and long-term, however, some of our companies might be impacted negatively by the effects of climate change. Other companies will likely benefit from opportunities that arise from climate change given Summa's thematic focus areas.



### Nature

It is becoming evident that substantial portions of the global economy rely on nature for essential goods and services. Nevertheless, certain economic activities are causing widespread degradation and depletion of natural ecosystems. Nature-related risks and opportunities can arise from these impacts and dependencies and may affect the financial performance of our portfolio companies.

Summa has analyzed and evaluated the portfolio companies' nature-related dependencies and impacts with a top-down sector analysis using the ENCORE database developed by the Natural Capital Finance Alliance and the UN's environmental program ("UNEP").

All portfolio companies are covered in the sector analysis and the respective share per sector of Summa's overall portfolio is included in the tables. Each sector's impacts and/or dependencies on natural resources and ecosystems are highlighted in the tables below, based on the ENCORE materiality classification from very high to very low on a five-grade rating.<sup>2</sup>

<sup>2</sup> ENCORE (encorenature.org)

Table 1. Most material potential dependencies

Very high ● High ● Medium ● Low ● Very low ●

Sector	Share of Summa's portfolio	Bio-remediation	Buffering and attenuation of mass flows	Climate regulation	Dilution by atmosphere and ecosystems	Filtration	Flood and storm protection	Ground water	Mass stabilization and erosion control	Mediation of sensory impacts	Pest control	Soil quality	Surface water	Ventilation	Water flow maintenance	Water quality
Health care technology	31%	●							●							
Environmental and facilities services	16%					●		●					●			
Construction and engineering	14%	●		●		●	●		●	●	●	●		●	●	
Technology distributors	13%			●			●		●							
Life science tools services	12%				●			●					●			
Food retail	4%	●							●							
Trading companies and distributors	4%			●			●		●							
Electric utilities	3%			●			●		●							
Packaged foods and meat	2%	●			●	●	●	●	●			●	●		●	●
Electrical equipment	1%				●			●					●			
Water utilities	0.5%	●	●	●		●	●	●	●	●	●	●	●		●	●

Table 2. Most material potential impacts

Very high ● High ● Medium ● Low ● Very low ●

Sector	Share of Summa's portfolio	Disturbances	Freshwater ecosystem use	GHG emissions	Marine ecosystem use	Non-GHG air pollutants	Soil pollutants	Solid waste	Terrestrial ecosystem use	Water pollutants	Water use
Health care technology	31%					●	●	●		●	●
Environmental and facilities services	16%							●			
Construction and engineering	14%	●	●	●	●	●	●	●	●	●	●
Technology distributors	13%	●		●	●	●	●			●	
Life science tools services	12%							●			
Food retail	4%					●	●	●		●	●
Trading companies and distributors	4%	●		●	●	●	●			●	
Electric utilities	3%			●					●	●	
Packaged foods and meat	2%			●			●	●		●	●
Electrical equipment	1%	●					●	●		●	
Water utilities	0.5%		●				●		●	●	●



In the short-term, our portfolio companies are assessed to have low nature risk, given the sectors and geographies we invest in. With increased nature risks in the medium and long-term, however, some of our companies might be impacted negatively by the effects of nature degradation and depletion of natural ecosystems, especially through supply chain effects. Other companies, especially those addressing resource scarcity through their products and services will likely benefit from opportunities that arise from an increased focus on nature aspects.



## B. Effects of climate and nature-related risks and opportunities on Summa's investment strategy

Climate and nature-related risks and opportunities significantly influence Summa's investment strategy. Recognizing the urgency of addressing environmental challenges, Summa integrates climate and nature considerations into its investment processes, from initial due diligence to ongoing portfolio management. We actively manage risks associated with climate change impacts, biodiversity loss, and regulatory shifts, aiming to build resilient portfolios that deliver long-term value for investors while contributing to positive environmental outcomes. Simultaneously, Summa seeks opportunities in sectors that are well-positioned for growth in the transition to a sustainable economy, such as renewable energy, clean technology, and sustainable food production.

Summa does not invest in certain sectors that are considered high-risk from a climate and nature perspective, e.g. fossil fuels, and mining. Summa also engages with portfolio companies to encourage sustainable business practices and promote environmental stewardship through various activities, including support to ensure that all companies to report on key metrics related to climate and nature, such as GHG emissions. Through active dialogue and collaboration, Summa also works to influence positive change within its portfolio, fostering a culture of sustainability and resilience, e.g. through impact roundtables where we invite representatives from the portfolio companies to discuss sustainability-related topics, including climate and nature.

In addition to risk mitigation, Summa seeks to capitalize on emerging opportunities arising from the transition to an economy within planetary boundaries. By investing in innovative solutions and technologies that address climate and nature-related challenges, Summa aims to generate positive environmental impact while delivering attractive returns for its investors.

## C. Resilience of Summa's strategies for climate and nature-related risks and opportunities

Summa's resilience strategies for climate and nature-related risks and opportunities are grounded in proactive, forward-thinking approaches aimed at safeguarding against environmental challenges while capitalizing on emerging opportunities. Summa's strategies for climate-related risks and opportunities are further quantified through the lens of impact accounting.

### Climate impact accounting<sup>3</sup>

Impact accounting plays a crucial role in determining the resilience of the portfolio companies by providing a framework for quantifying the environmental impacts of their operations, products, and/or services. Impact accounting enables Summa to quantify and manage risks effectively, identifying areas for improvement and innovation. Climate impact accounting is a type of impact accounting that measures the monetary value of a company's climate impact. The methodology enables a cost analysis by attributing a price to a range of clearly defined adverse impacts on nature and human health associated with emissions.

The current methodology used by Summa includes GHG-only monetization, capturing impacts of Scope 1, 2 and 3 emissions on "environmental goods" such as human productivity, crop production capacity, food and water availability, abiotic resources, and biodiversity. Summa is reviewing methods to include full-scope environmental impact accounting in the future to include non-GHG emissions, water use, and abiotic resource use on environmental goods.

The 2023 results show that the aggregate portfolio generated a negative climate value equivalent to about EUR -24m.<sup>4</sup> While there was a positive impact of about EUR 35m in 2022 compared to a negative impact in 2023, companies will typically have a negative impact as they generate emissions rather than contributing to avoided emissions.

Further, the decrease from last year stems from refined carbon accounting for several of the companies, resulting in more precise but higher emissions results. With the exit of Kiona, there is also a lower weight of companies with avoided emissions, meaning the overall portfolio carbon footprint has increased.

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<sup>3</sup> Climate monetization enables a cost analysis by attributing a price to a range of clearly defined adverse impacts on nature and human health associated with emissions. Inputs to the analysis include a selection safeguard subjects to monetize the impact. The safeguard subjects refer to resources required to satisfy human needs:

- Working capacity: Effect on human value creation from work, through Years of Life Lost (YLL)
- Crop production: affected by climate change and sea level rise
- Meat production: affected by climate change and sea level rise
- Fish production: Affected by ocean acidification.
- Water production: Affected through climate change, by increased evaporation from waterways.
- Biodiversity & wood production: Forests and other ecosystems/habitats affected due to climate change and other effects.

<sup>4</sup> Note that this analysis covers all portfolio company emissions and is hence not weighted based on Summa's ownership share.

In 2023, Summa's positive contribution is mainly derived from NG Group and Holdbart with potential avoided emissions. In future analysis, we aim to capture the potential positive climate impact of TBAuctions who contributes to less resource depletion and waste to landfill through increased reuse of equipment.

The results provide a monetized view of the portfolio companies' positive and negative impacts on the environment, thus providing insights into their climate strategies to improve their impact. Summa will continue to engage with the portfolio in 2024 to set long-term strategies to reduce their emissions, specifically through setting Science-Based Targets ("SBTs") for climate.



## D. Locations of assets and activities in Summa's direct operations and in its portfolio

Summa employs around 70 people, and our offices are located in Stockholm, Oslo, and Munich. Our portfolio companies are primarily located in Northern Europe and the United States, but their value chains have a broader geographical exposure. The mapping of this exposure is challenging due to the lack of data on the portfolio companies' supply chains. Enhancement of the mapping of portfolio companies' locations and activities throughout the value chain is an ongoing task. We have not yet identified any direct exposure to sensitive geographical areas as per the TNFD framework.

# Risk management

## Identification, management, and integration in Summa's overall risk management of climate and nature-related dependencies, impacts, risks, and opportunities

Summa has established processes to identify, assess, prioritize, and manage climate and nature-related risks throughout the investment process.

From scrutinizing greenhouse gas emissions to evaluating biodiversity risks, Summa's approach ensures a comprehensive understanding of each asset's environmental footprint. In relation to climate change, we assess GHG emissions data, either directly reported by the companies or estimated based on their sector, activities, and geography.

Biodiversity risks are assessed based the portfolio companies' sector, activities, and geography. The climate and nature-related risks for each asset is assessed based on the sector, as well as type and location of activities.

### **A. Process to identify, assess, prioritize and monitor climate- and nature-related dependencies, impacts, risks and opportunities in the portfolio**

Summa has a rigorous process for identifying, assessing, prioritizing, and monitoring climate and nature-related dependencies, impacts, risks, and opportunities within our investment portfolio.

The first assessment of a company's climate and nature-related dependencies, impacts, risks, and opportunities is done pre-investment, both through internal and third-party assessments. Companies are assessed based on their disclosures, dialogue with management, and sector analysis. Given the size of the companies we invest in, they do not always have carbon accounting or nature reporting processes in place by the time of the investment, but we actively support them on their reporting journey to foster transparency and accountability. Where data is unavailable, the assessment is based on the company sector, plus type and location of activities.

Once an investment has been made, companies are required to report sustainability-related information on an annual basis, including GHG emissions and principal adverse impact indicators in line with the Sustainable Finance Disclosure Regulation, which also covers biodiversity. The evaluation of additional, relevant nature-related data points is ongoing. In addition to the portfolio company assessments, we have performed a preliminary assessment of the portfolio's nature-related dependencies and impacts at a sector level, as illustrated in tables 1 and 2 on pages 7 and 8 above.

Given the size of our portfolio in terms of number of companies, we have a good understanding of the climate and nature-related risks associated with each investment and we prioritize engagement with companies based on their risk profiles, supplemented by a preliminary assessment of the portfolio's nature-related dependencies, and impacts at a sector level.

### **B. Management of climate and nature-related dependencies, impacts, risks, and opportunities in the portfolio**

At portfolio level, Summa manages the climate and nature-related risks by excluding investments in certain sectors that are considered high-risk from a climate and nature perspective, e.g. fossil fuels and mining.

Companies that are not subject to sector exclusions, but that have material environmental risks as part of their operations or supply chain, are assessed to ensure that they do not cause severe environmental harm, such as deforestation, critical habitat destruction, or contribute to the decline of endangered species. We also require all potential investments to be assessed based on their ability to be able to set SBTs for climate, to make sure that we have a portfolio of companies that will be able to align with the Paris Agreement.

The risk management of climate and nature-related dependencies, impacts, risks, and opportunities is based on the fundamental belief that these topics matter to all investments, although the path to net zero will be harder for some of our portfolio companies than others. This is why we require each portfolio company to report relevant metrics, set SBTs for climate, and follow up with action plans.

Summa is an active owner and has continuous dialogue with all portfolio companies to support them on their journey towards net zero. Potential nature-related risks in our portfolio are addressed through deeper engagement with the relevant company that is exposed to nature risks. Depending on the maturity of the company, we assist them in identifying relevant external consultants, reporting software, or act as sparring partners on their strategy.

### **C. Integration of climate and nature-related risks in Summa's overall risk management**

Climate and nature-related risks are systematically identified, assessed, and managed across the organization's operations and investment portfolios. Summa integrates climate and nature-related risks into its overall risk management system and key risk indicators ("KRI") reporting process. By incorporating climate and nature considerations into its risk management framework, Summa strives to mitigate potential adverse impacts on financial performance, operations, and stakeholder trust. This integration involves identification and ongoing monitoring of environmental factors to anticipate and address emerging risks effectively. Summa's commitment to integrating climate and nature-related risks into its risk management practices underscores its dedication to integrating these aspects in core business functions.

# Metrics & targets

Metrics and targets used to assess and manage climate- and nature-related impacts, dependencies, risks and opportunities

## A. Metrics used to assess Summa’s climate and nature-related risks and opportunities.



### Climate

Summa measures and uses a variety of metrics to analyze our climate-related risks and opportunities, both for our own operations and for our portfolio companies. It all starts with good carbon accounting of Scope 1, 2 and 3 emissions, and we then look at the figures both in absolute terms and intensity. We require all portfolio companies to report GHG emissions annually and track the change in emissions for each individual asset, as well as changes in the overall portfolio emissions. We also track the progress towards net zero for every portfolio company and do impact accounting covering climate change both at portfolio and asset level.

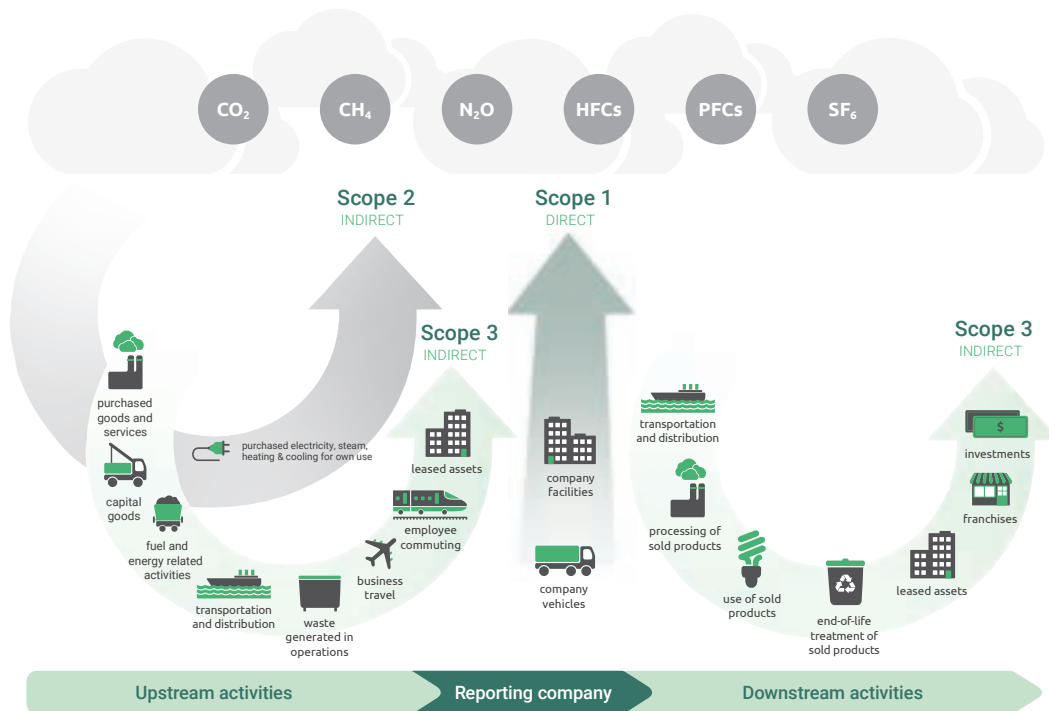
### Scope 1, 2 and 3 emissions

Scope 1: Direct GHG emissions from sources the company own or control, e.g. electricity generation, physical or chemical processing, and transportation from company-owned vehicles.

Scope 2: Emissions from purchased electricity that is consumed through company operations.

Scope 3: All other indirect emissions throughout the company value chain, including purchased goods and services, transport-related activities, electricity-related emissions not included in Scope 2, leased assets, use of sold products and services, and waste disposal.

Overview of GHG Protocol scopes and emissions across the value chain<sup>5</sup>



<sup>5</sup> Diagram of scopes and emissions across the value chain.pdf (ghgprotocol.org)



The reason for having a variety of metrics is to be able to assess different aspects of climate risk. The portfolio level impact accounting for instance, informs us about how the value of the portfolio might change if taxes mirroring the social cost of carbon were put in place, indicating climate portfolio risk. Tracking the underlying absolute emissions for each portfolio company enables us to understand the underlying drivers of portfolio emissions and informs dialogue with management and our understanding of the company's ability to set science-based targets and implementing a climate action plan.

Summa uses company-reported data for our climate analysis. Access to good data can be a limitation, especially when it comes to Scope 3 emissions.

We recognize that good carbon accounting is a journey and that enhancements can be made continuously, e.g. by including more Scope 3 categories or improve the quality from spend-based accounting to activity-based or supplier engagement practices.

Such improvements can change the emissions profile of a portfolio company and be instrumental for making the right decisions in terms of how to align operations with a net zero trajectory. We therefore work closely with our portfolio companies to improve their carbon accounting practices year over year.

As explained in more detail in the strategy section, we also conduct climate impact accounting, both at portfolio and asset level.



### Nature

Summa has analyzed its exposure to nature-related impacts and dependencies both top down and bottom up. For the top-down assessment we used the ENCORE tool to identify sectors with high nature-related impacts and dependencies. For portfolio company nature-related risks and opportunities, we have taken steps to integrate nature-based accounting together with The Footprint Firm.

We quantify the nature impacts of our portfolio companies and headquarters, considering energy use in our portfolio companies, analogous to the Scope 1 and Scope 2 categories used in the accounting of carbon emissions. The quantification rests on Life Cycle Assessment ("LCAs") in line with the European Commission's Environmental Footprint ("EF") method. The method combined energy-related activity data from the portfolio companies with matching nature impact factors, arriving at nature-impact intensity figures (Points/mEUR revenue). The analysis estimates about 16 specific damage factors (e.g. land use, water use, ecotoxicity, etc.) considering the full value chain of the energy sources, including extraction, refining, construction, generation, and logistics activities required to make the energy available for consumption.

We acknowledge that there are still ways to develop the quantification methodology, advance our understanding of the nature impacts, risks and opportunities and accelerate the forceful responses necessary. To arrive at a more accurate result, the analysis can be expanded to cover high impact commodities used in the portfolio (such as steel and concrete), as well as upstream and downstream transportation activities. Recognizing that nature-related accounting is only in the beginning of a long journey, we are working on how to support the portfolio companies and include more nature-related indicators in the portfolio company data requests.

## B. Metrics used to assess Summa's Scope 1, 2 and 3 GHG emissions and nature-related impacts and dependencies.

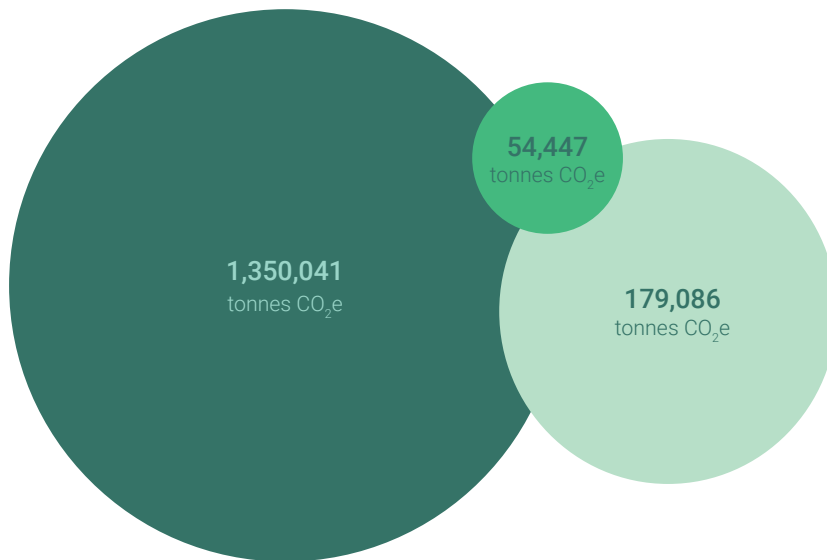


Summa reports on GHG emissions for 100% of the portfolio and in accordance with Scope 1, 2 and 3 as defined by the GHG Protocol. For 2023, the portfolio's total emissions amounted to 574k tCO<sub>2</sub>e.<sup>6</sup> While there are still uncertainties related to the reported data, especially regarding Scope 3, we believe that transparent reporting is important. Our portfolio companies are working continuously on improvements, but still rely on estimates for certain Scope 3 categories. In addition, we report our carbon footprint and carbon intensity, as well as climate impact accounting results.

Metrics	2023	2022	2021
Scope 1 (tCO <sub>2</sub> e)	8k	4k	10k
Scope 2 (tCO <sub>2</sub> e)	3k	4k	10k
Scope 3 (tCO <sub>2</sub> e)	563k	220k	155k
Total emissions (tCO <sub>2</sub> e)	574k	228k	175k
Carbon footprint <sup>7</sup>	188	128	68
Carbon intensity (EVIC) <sup>8</sup>	294	177	84
Climate impact accounting results <sup>9</sup>	EUR -24m	EUR 35m	EUR 55m <sup>10</sup>

### Total portfolio company emissions per theme<sup>11</sup>

- Resource Efficiency
- Changing Demographics
- Tech-Enabled Transformation



<sup>6</sup> Calculation based on the SFDR PAI calculation formula:

$$\sum_i \left( \frac{\text{current value of investment}_i}{\text{investee company's enterprise value}} \times \text{investee company's Scope(x) GHG emissions}_i \right)$$

<sup>7</sup> Calculation based on the SFDR PAI calculation formula:

$$\frac{\sum_i \left( \frac{\text{current value of investment}_i}{\text{investee company's enterprise value}} \times \text{investee company's Scope 1, 2 and 3 GHG emissions}_i \right)}{\text{current value of all investments (€M)}}$$

<sup>8</sup> Calculation based on the SFDR PAI calculation formula:

$$\sum_i \left( \frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{investee company's Scope 1, 2 and 3 GHG emissions}_i}{\text{investee company's €M revenue}_i} \right)$$

<sup>9</sup> Note that this analysis covers all portfolio company emissions and is hence not weighted based on Summa's ownership share.

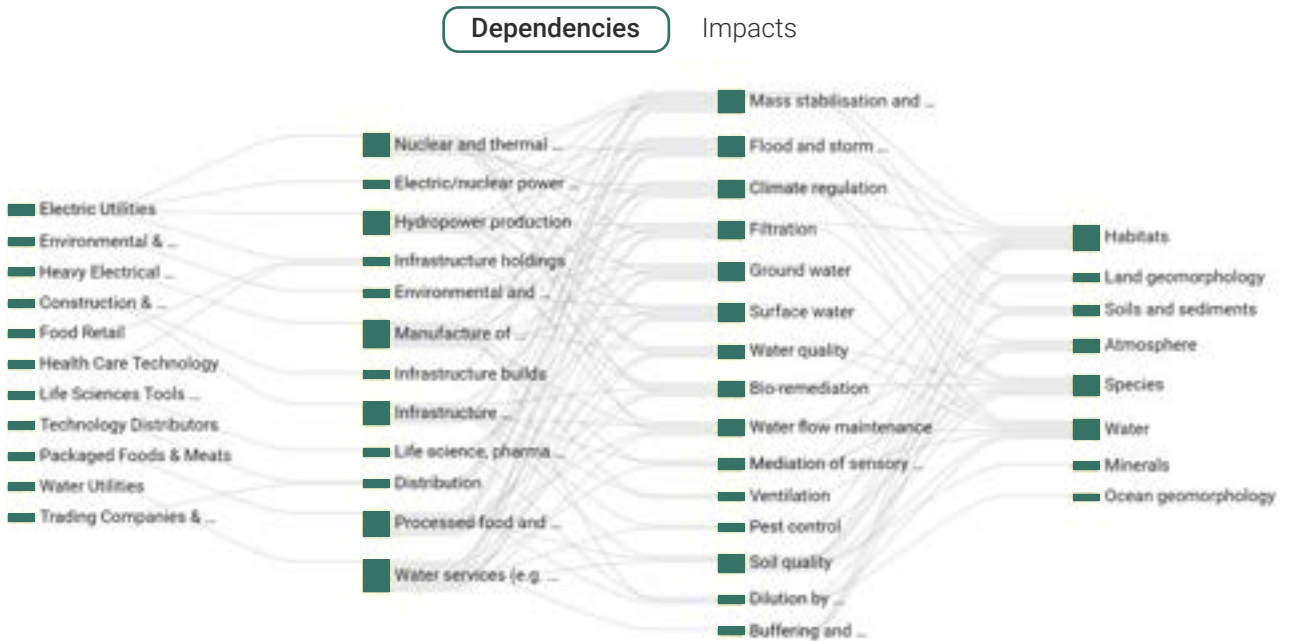
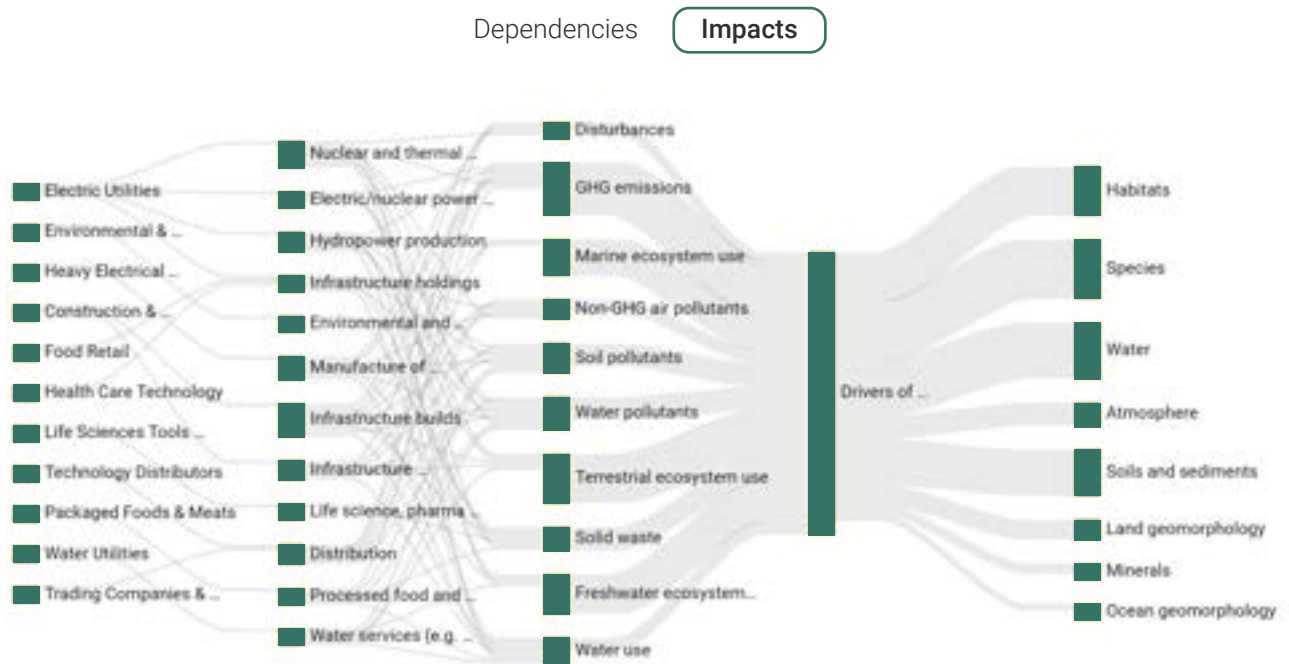
<sup>10</sup> Reported in SEK in 2022. The EUR figure in the table is based on the reported data of SEK 642m.

<sup>11</sup> Not weighted based on Summa's ownership share.

## Metrics of nature-related impacts and dependencies



Summa has analyzed its exposure to nature-related impacts and dependencies both top down and bottom up. The top-down assessment identified sectors with high nature-related impacts and dependencies using the ENCORE tool, to visualize natural capital impact and dependency flows based on the sectors we invest in. Note that the flow charts cover the overall sub-sectors and are not weighted based on Summa's portfolio weight due to limitations in the tool. The distribution of sectors and the impacts and dependencies are covered in tables 1 and 2 on pages 7 and 8.

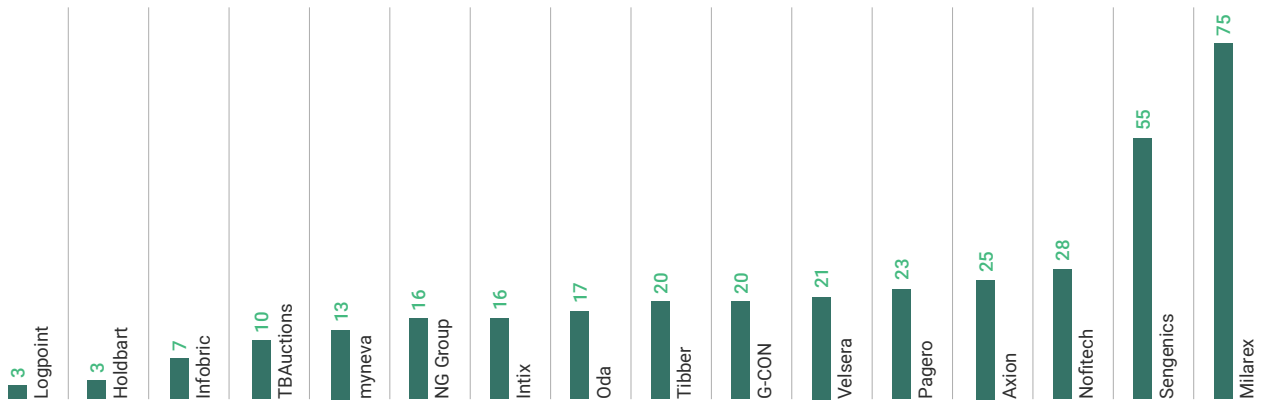






In addition, we quantify the nature impacts of our portfolio companies by using a quantification that rests on LCAs in line with the European Commission’s Environmental Footprint method, as explained in the Energy-related biodiversity impact assessment in the 2023 Portfolio Report. The results show an average impact intensity of 0.9 Points/mEUR revenue in 2023. Notably, the results have certain limitations due to data availability. For example, some portfolio companies lack data on mobile consumption or energy data beyond energy use in offices.

**Nature-impact intensity of energy used in operations, per PC (Points/GWh)**



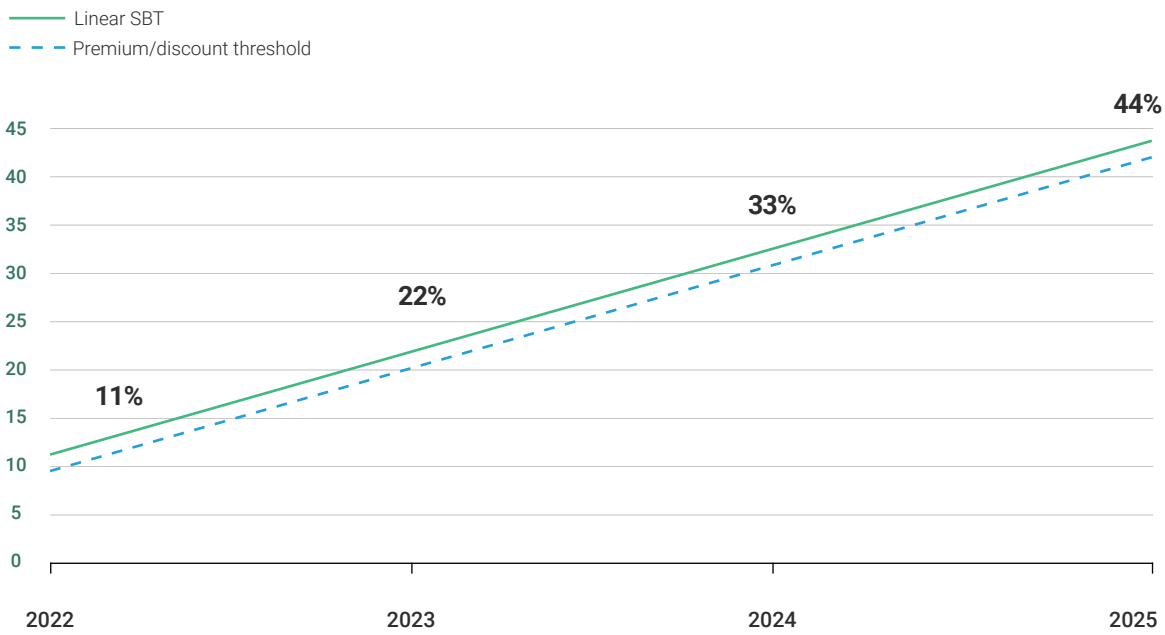
**C. Summa’s targets and goals for managing climate and nature-related impacts, dependencies, risks and opportunities, and performance against these.**



**Climate goals**

Summa has a long-standing goal to align our portfolio with the Paris Agreement’s 1.5°C target. To meet this ambition, we have committed to the Science-Based Targets Initiative to set validated climate targets across the entire portfolio by 2030. To further incentivize implementation of our commitment, the target is part of our ESG-linked revolving credit facility (“RCF”), a pricing mechanism linked to selected ESG initiatives, where the interest rate will be lowered if targets are met and increased if targets are not achieved.

Graph 1. RCF rules on SBT implementation and corresponding thresholds.



**Outcome 2023**

With a 19% wAVG/AUM fulfillment rate, the KPI result fell slightly short of the 22% target for 2023, as illustrated by the graph above. Sengenics, Axion, Intix, Documaster, and myneva have received official validation of their targets and several other portfolio companies have initiated the process and are expected to have validated targets during 2024. To ensure that the 2024 target of 33% is achieved, we are putting increased efforts into supporting our portfolio companies to create climate action plans and set SBTs.



**Nature goals**

Summa has an overall objective to contribute to a positive development of biodiversity, ecosystems, and natural capital, both through avoiding negative impacts, but also by actively investing in companies that have products and services that contribute to positive development. Recognizing that ambitious climate action is required to also address nature-related challenges, we will further develop our approach and target-setting when it comes to specific nature-related aspects.