

**2020**  
IK Investment  
Partners  
**GHG Report**



## Executive Summary

IK Investment Partners is committed to annually measure, reduce and communicate its greenhouse gases (GHG) emissions. GHG emissions report provides insight into the carbon impact of IK’s own operations, which is converted into CO<sub>2</sub> equivalent (CO<sub>2</sub>e).

IK’s GHG report focuses on Scope 2 and Scope 3 emissions across IK’s offices. Scope 1 emissions were not identified and therefore not reported. As in the previous years, the 2019 Report includes available data for IK offices in London, Paris, Hamburg, Amsterdam, Stockholm, and Luxembourg. This year’s report has been expanded to include our newly opened office in Copenhagen, but it no longer provides data for the Jersey office that has been closed at the end of the year. IK is committed to continually improving the data collection processes, the data quality of reported data, as well as continually refining adopted methodology to improve transparency of disclosure.

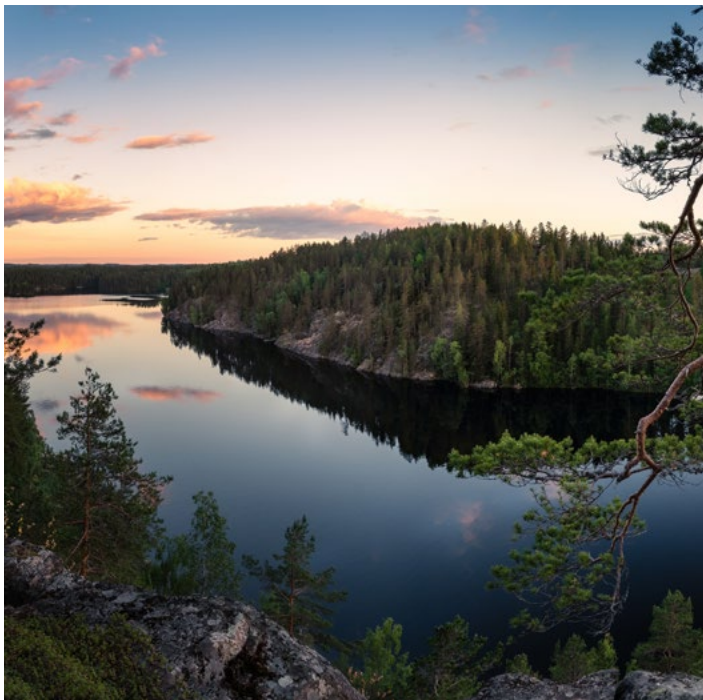
IK’s GHG analysis follows the GHG Protocol<sup>1)</sup>, GHG Protocol: A corporate Accounting and Reporting Standard<sup>2)</sup>, the Department of Environment, Food and Rural Affairs and Department for Energy and Climate Change (DEFRA/DECC)<sup>4)</sup> guidance.

Climate change is part of our [Responsible Investment \(RI\) policy](#), it is fully integrated into IK’s investment process and part of IK’s definition of ESG. In 2020, we amended our RI policy to include in the referral list companies that have an unacceptable high greenhouse gas footprint and have failed to take reasonable steps to reduce these emissions (each as

determined by IK). The emissions emitted from operations and activities of portfolio companies in the IK’s funds are currently not reported. However, climate change and environmental impact are considered key focus areas for our portfolio companies.

A number of portfolio companies already measure and reduce GHG emissions. IK supports these and other climate change related initiatives of our portfolio companies. IK also aims to lead by example by promoting sustainable practices, managing and disclosing environmental performance.

	NET EMISSIONS tCO <sub>2</sub> e	TOTAL NUMBER OF EMPLOYEES	INTENSITY PER EMPLOYEE tCO <sub>2</sub> e
2019	1,676.13	126	13.30
2018	1,578.49	108	14.62
2017	13,406.22	93	144.15
2016 Baseline	1,194.42	90	13.27



1) Carbon dioxide equivalent, converting the impact of the six greenhouse gases such as carbon dioxide, methane, nitrous oxide, and refrigerant gases  
2) Greenhouse Gas Protocol: Scope 3 Calculation Guidance

3) The Greenhouse Gas Protocol  
4) DEFRA: Guidance on how to measure and report your greenhouse gas emissions

## Performance Summary

The calculations are based on available activity data obtained from current suppliers, and some data was not available for offices. The baseline year for the purpose of measuring carbon footprint progress is FY16 (1 January 2016 to 31 December 2016). The IK 2019 GHG Report covers the period from 1 January 2019 to 31 December 2019.

In 2019, IK's GHG emissions totalled **1,676.13 tonnes of CO<sub>2</sub>e** (tCO<sub>2</sub>e), where 97% of emissions were in Scope 3. There was a 6% increase from 2018, and an increase of 43% compared to 2017 and an increase of 48% compared to 2016. This is primarily due to an expanded reporting scope, increased number of employees and addition of Amsterdam and

Copenhagen offices in 2018 and 2019 respectively. The emissions intensity per full-time employee was 13.3 tCO<sub>2</sub>e, a slight decrease from last year's 14.6 tCO<sub>2</sub>e despite an increase in overall amount of emissions.

GHG emissions generated from IK's offices' electricity consumption totalled 54.53 tCO<sub>2</sub>e, with no further activity data identified in Scope 2. GHG emissions generated from IK's business travel and waste disposal totalled 1,621.6 tCO<sub>2</sub>e, with no further activity data identified in Scope 3. Business travel is an unavoidable part of IK business, where air travel accounts for 99% of business travel emissions.

SOURCE	2016		2017		2018		2019	
	tCO <sub>2</sub> e	SHARE OF TOTAL	tCO <sub>2</sub> e	SHARE OF TOTAL	tCO <sub>2</sub> e	SHARE OF TOTAL	tCO <sub>2</sub> e	SHARE OF TOTAL
<b>SCOPE 2</b>								
Electricity consumption			18.96	100%	61.37	100%	54.53	100%
<b>TOTAL SCOPE 2</b>			<b>18.96</b>	<b>0.14%</b>	<b>61.37</b>	<b>3.89%</b>	<b>54.53</b>	<b>3%</b>
<b>SCOPE 3</b>								
<b>Business Travel</b>								
Air Travel	1,055.95	99.43%	1,041.50	99.60%	1,456.09	99.47%	1,433.84	99%
Rail Travel	0.84	0.08%	0.01		0.42	0.03%	0.37	0%
Taxi Travel	5.17	0.49%	4.21	0.40%	7.30	0.50%	11.21	1%
<b>Total</b>	<b>1,061.96</b>	<b>100.0%</b>	<b>1,045.72</b>	<b>100.0%</b>	<b>1,463.81</b>	<b>100.0%</b>	<b>1,445.42</b>	<b>100%</b>
<b>Waste disposal</b>								
Paper and board: mix	129	97%	12,336.94	99.96%	52.09	97.70%		100%
Plastic; water bottles	3.46	97%	4.60	0.03%	1.22	2.30%	-	-
<b>Total</b>	<b>132.46</b>		<b>12,341.54</b>	<b>100.0%</b>	<b>53.31</b>	<b>100.0%</b>		<b>100%</b>
<b>TOTAL SCOPE 3</b>	<b>1,194.42</b>	<b>100.0%</b>	<b>13,387.26</b>	<b>99.86%</b>	<b>1,517.12</b>	<b>96.11%</b>	<b>1,621.6</b>	<b>97%</b>
<b>TOTAL</b>	<b>1,194.42</b>		<b>13,406.22</b>	<b>100.0%</b>	<b>1,578.49</b>	<b>100.0%</b>	<b>1,676.13</b>	<b>100%</b>

# Methodology

Following the Greenhouse Gas Protocol Initiative (GHG Protocol), IK measures GHG emissions of own operations across offices. The GHG protocol framework divides emissions into three scopes; direct emissions are in Scope 1, and indirect emissions are included in Scopes 2 and 3. IK reports Scopes 2 and 3 emissions, generated from purchased electricity, business travel and waste.

For Scope 2 and selected Scope 3 emissions, IK follows the most common approach to calculating GHG emissions from emissions sources, which is to take activity data and multiply it by an emission factor for each emission

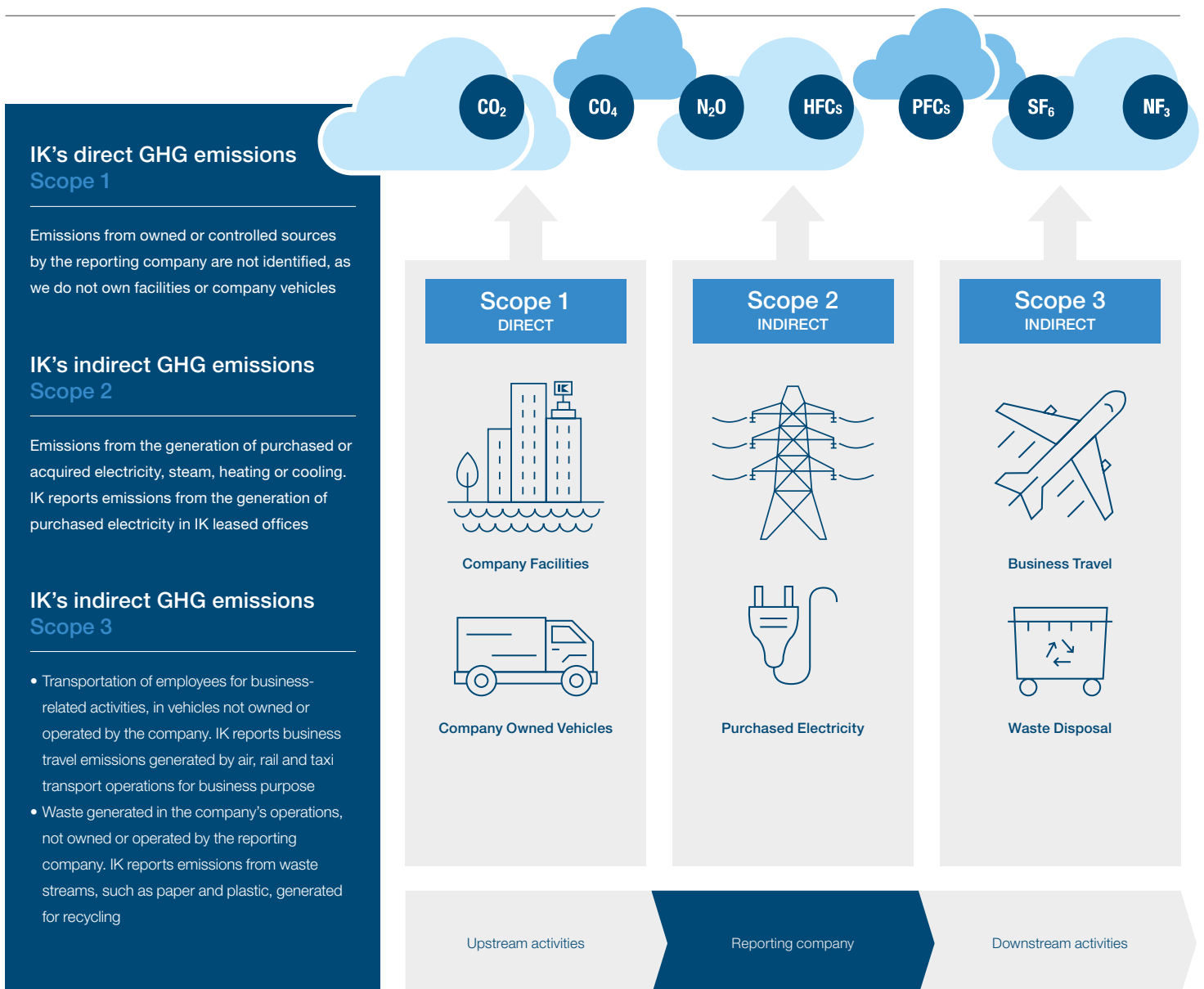
source to convert data to the GHG emissions figure.

$$(tCO_2e = \text{Activity Data} \times \text{Emission Factor})$$

Activity data is obtained or provided by the suppliers through purchase records and direct monitoring from energy consumption in IK's value chain.

Emission factors for electricity, travel and waste have been derived from the UK Department for Environment, Food and Rural Affairs (DEFRA). These are updated annually and for the current reporting period the 2019 emission factors have been used. The location-based emissions factors were not identified for emissions sources.

# IK Reporting Scope



5) The UK Government conversions factors for greenhouse gas reporting, published by the Department of Environment and Rural Affairs/Department for Energy and Climate Change (DEFRA/DEEC) 2018

## Scope 2

### Electricity consumption

GHG emissions from electricity for 2019 amounted to 54.53 tCO<sub>2</sub>e.

For 2019, activity data was collected for London, Amsterdam, Stockholm and Hamburg offices, while the data for Copenhagen was only partially provided by the supplier and was therefore estimated for the remaining

period of time. Data was not available for Luxembourg and Paris offices, and no assumptions were made. Offices electricity consumption data is reported in the form of total quantity of electricity consumed (kWh). GHG emissions are calculated using the UK electricity conversion DEFRA factors for 2019.

ELECTRICITY CONSUMPTION PER OFFICE	ELECTRICITY CONSUMPTION tCO <sub>2</sub> e	TOTAL, kWh	SHARE OF TOTAL %
London	21.29	83,279.00	39%
Amsterdam	16.93	66,234.46	31%
Luxembourg	N/A	N/A	-
Stockholm	8.99	35,176.00	16%
Copenhagen	3.58	14,000.00	7%
Paris	N/A	N/A	-
Hamburg	3.75	14,662.05	7%
<b>TOTAL SCOPE 2</b>	<b>54.53</b>	<b>213,351.51</b>	<b>100%</b>

## Scope 3

### Business travel

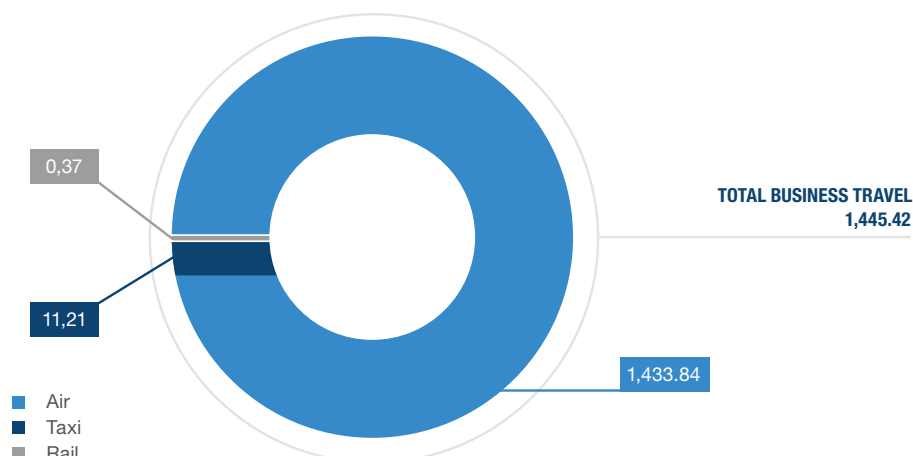
The annual GHG emissions from business travel totalled 1,445.42 tCO<sub>2</sub>e, a minor decrease in comparison to the previous year and 43% increase from 2016 - the baseline year.

Business travel has been a core part of IK's business activity and emissions therefore remained significant. Air travel was the dominating emission source, which includes domestic and international flights. IK does not have policies in place to minimise business travel emissions. However,

IK employees are encouraged to use communication technologies available across the offices such as teleconferencing, whenever possible.

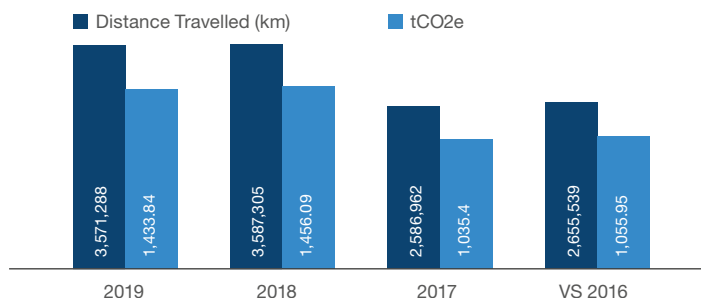
GHG emissions are calculated using the distance-based method and business travel air and land-based DEFRA conversion factors for 2019. Data is only reported for IK as a whole and not for individual offices, as data is not always provided separately by suppliers.

**BUSINESS TRAVEL 2019**  
(tCO<sub>2</sub>e)



### Air Travel

Air travel remained the dominating emission source, with insignificant changes to the distance travelled or resulting emissions from the previous year. With almost 3.6 million kilometres travelled by IK employees, the total air travel emissions account for 1,433.84 tCO<sub>2</sub>e in 2019. This is an increase in emissions by 37% and an increase in total distance travelled by 35% comparing to the baseline year FY16. The air emissions come from mainly business flights, which represent higher emissions than economy flights due to increased space taken per passenger. Air business travel data is primary data collected from the suppliers and reported in the form of total distance travelled. GHG emissions are calculated using the distance-based method and DEFRA emission factors for 2019.

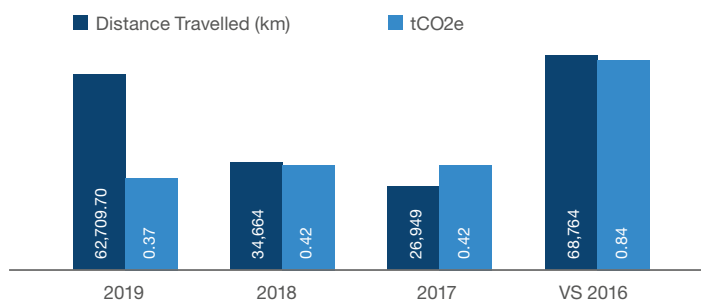


### Rail Travel

Rail travel accounts for 0.37 tCO<sub>2</sub>e of IK's total business travel in 2019. A decrease of 55% from the baseline year. Emissions associated with employees' rail business travel were not available for Paris office in the reporting year 2019.

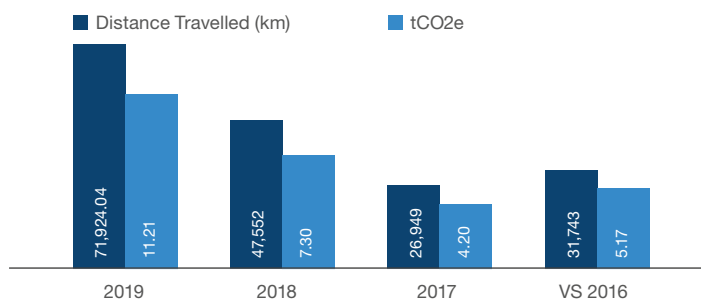
Rail travel data is primary data collected from the suppliers and reported in the form of total distance travelled.

GHG emissions are calculated using the distance-based method and DEFRA emission factors for 2019.



### Taxi Travel

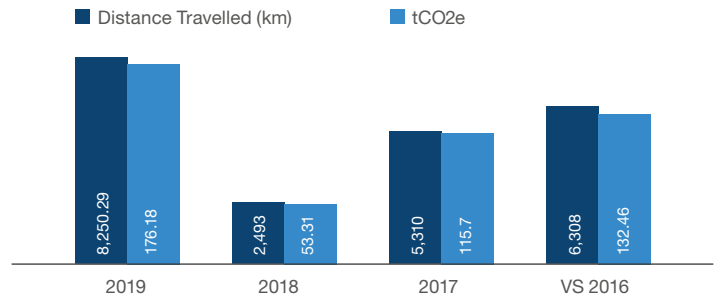
The annual GHG emissions from taxi travel totalled 11.21 tCO<sub>2</sub>e, this is an increase of 117% from 2016. Taxi travel data is primary data, obtained from the suppliers in the form of total distance travelled. GHG emissions are calculated using the distance-based method and DEFRA emission factors for 2019.



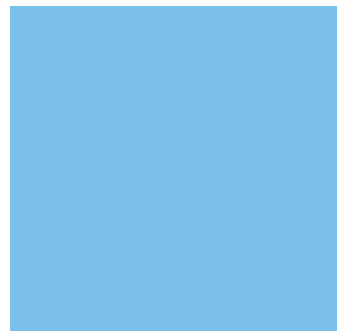
## Waste

The annual GHG emissions from waste totalled 176.18 tCO<sub>2</sub>e. Only paper was included in the reporting scope, as office paper consumption remains to be the dominating emissions source. The annual GHG emissions from plastic bottles waste continued to represent only around 1% of overall emissions and is therefore no longer reported. Following firm-wide initiative to reduce plastic waste, we reduced our consumption of single-use water bottles to zero in London, Hamburg, and Amsterdam. We discourage single-use water bottles across all IK offices, and provide refillable bottles to employees in several of our offices.

GHG emissions from paper waste totalled 176.18 tCO<sub>2</sub>e from 8,250.29 kg of purchased paper across all offices. This is an increase of 139% compared to the baseline year. The amount of paper waste was assumed to be 100% of the paper purchased, and it was assumed that it is recycled back into the same product. The total weight for paper purchased was either obtained directly from the suppliers or it was calculated using the paper size, grammage per m<sup>2</sup> and number of sheets purchased.



OFFICE	QUANTITY IN KG	tCO <sub>2</sub> e	SHARE OF TOTAL
<b>Waste: Paper</b>			
London	194	4.2	8%
Stockholm	535	11.4	21.9%
Amsterdam	515	11.0	34.3%
Paris	835	17.9	1.5%
Hamburg	34	0.7	13.2%
Luxembourg	322	6.9	0%
<b>TOTAL</b>	<b>2,436</b>	<b>52.1</b>	<b>100%</b>



## Appendix A: Data quality and completeness

The assessment of the primary data and assumptions applied in 2019:

EMISSION SOURCE	IK OFFICE	2019
Energy Consumption	London	Activity data: total direct electricity consumption kWh, DEFRA 2019 emission factor applied
	Stockholm	Activity data: total direct electricity consumption kWh, DEFRA 2019 emission factor applied
	Amsterdam	Activity data: total direct electricity consumption kWh, DEFRA 2019 emission factor applied
	Luxembourg	Data not available
	Paris	Data not available
	Hamburg	Activity data: total direct electricity consumption kWh, DEFRA 2019 emission factor applied
	Copenhagen	Activity data: total direct electricity consumption kWh (estimated), DEFRA 2019 emission factor applied
Business Travel Air	London/Amsterdam/Copenhagen	Activity data: total distance travelled in km, DEFRA 2019 emission factor applied
	Hamburg	Activity data: total distance travelled in km, DEFRA 2019 emission factor applied
	Paris	Activity data: total distance travelled in km, DEFRA 2019 emission factor applied
	Stockholm	Activity data: total distance travelled in km, DEFRA 2019 emission factor applied
	Luxembourg	Activity data: total distance travelled in km, DEFRA 2019 emission factor applied
Business Travel Rail	London/Amsterdam/Copenhagen	Activity data: total distance travelled in km, DEFRA 2019 emission factor applied
	Luxembourg	Activity data: total distance travelled in km, DEFRA 2019 emission factor applied
	Stockholm	Activity data: total distance travelled in km, DEFRA 2019 emission factor applied
	Hamburg	Activity data: total distance travelled in km, DEFRA 2019 emission factor applied
Business Travel Taxi	London/Amsterdam/Copenhagen (supplier 1)	Activity data: total distance travelled in km, DEFRA 2019 emission factor applied
	London (Supplier 2)	Activity data: total distance travelled in km, DEFRA 2019 emission factor applied
	London (Supplier 3)	Activity data: total distance travelled in km, DEFRA 2019 emission factor applied
	London (Supplier 4)	Activity data: total distance travelled in km, DEFRA 2019 emission factor applied
	Paris	Activity data: total distance travelled in km, DEFRA 2019 emission factor applied
	Amsterdam	Activity data: total distance travelled in km, DEFRA 2019 emission factor applied
	Hamburg	Activity data: approximate total distance travelled km, DEFRA 2019 emission factor applied
	Stockholm	Data not available
	Luxembourg	No data reported
Waste Disposal: Paper	London	Activity data: total kg purchased (calculated by supplier), DEFRA 2019 emission factor applied
	Amsterdam	Activity data: total kg purchased (calculated by supplier), DEFRA 2019 emission factor applied
	Hamburg	Activity data: total kg purchased (calculated by supplier), DEFRA 2019 emission factor applied
	Paris	Activity data: total kg purchased (calculated by supplier), DEFRA 2019 emission factor applied
	Luxembourg	Activity data: total kg purchased (calculated by supplier), DEFRA 2019 emission factor applied
	Stockholm	Activity data: total kg purchased (calculation based on paper quality, size and no of sheets), DEFRA 2019 emission factor applied
	Copenhagen	Activity data: total kg purchased (calculated by supplier), DEFRA 2019 emission factor applied



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