
Apax Global Alpha Limited - ESG policy

Approved by the Board on 1 November 2023

The Apax Global Alpha (“AGA”) Board believes that approaching investing responsibly is important in protecting and creating long-term value. The Board relies upon the Responsible Investment policy and practices of Apax Partners LLP (“Apax”), the Investment Advisor, to ensure it delivers returns ethically and responsibly.

Apax is a voluntary signatory to the UN Principles for Responsible Investing (“PRI”) and has implemented processes to adhere to those principles. Responsible investing has become an integral part of Apax’s investment approach and is embedded in the investment process to help achieve Apax’s mission.

The below summarises Apax’s approach to advising on responsible investing.

Private Equity

Apax firmly believes that a focus on responsible investing can lower risk and enhance financial returns for the Funds and underlying portfolio companies, whilst also creating a net benefit for society. Apax’s sustainability programme covers the lifecycle of a Fund investment from pre-investment due diligence to post-investment monitoring, value creation, and reporting.

Apax believes that responsible investing is not only the right thing to do but should also have a powerful and measurable business logic in its application. As such, Apax has developed a distinctive methodology to capture key performance data from relevant portfolio companies on environmental, social and corporate governance (“ESG”) matters. This detailed source of ESG data is used to inform stakeholders and, more importantly, to drive value creation projects executed by Apax’s Operational Excellence Practice (OEP) team members and Apax investment professionals assigned to a particular portfolio company.

For further detail, please refer to Apax’s Responsible Investing policy which can be found here: <https://www.apax.com/create/responsibility/sustainability/#acc-ResponsibleInvestmentPolicy>

Derived Investments

AGA’s Derived Investment portfolio consists of investments where AGA is a minority investor in the underlying target companies. Therefore, there is less scope to influence ESG matters post-investment than in the Private Equity portfolio.

The approach to ESG for Derived Investments therefore primarily focuses on due diligence carried out before an investment and in the context of Apax’s broader approach.

Apax believes ESG factors can potentially have a material impact on a company’s long-term financial performance, as poorly managed ESG risks can lead to inefficiencies, operational disruption, litigation and reputational damage. Apax, as the Investment Advisor, would not recommend opportunities that it believes may provide an inappropriate exposure to ESG risks.