



**As at January 2023**

**- Apax Global Impact SCSp; Apax Global Impact L.P./AGI (Feeder)  
L.P. (the "Fund") -**

**SFDR RTS Website Disclosures**

**IMPORTANT NOTICE**

**THIS DISCLOSURE IS PROVIDED PURSUANT TO EUROPEAN UNION REGULATORY REQUIREMENTS AS OF THE DATE HEREOF AND IS NOT INTENDED FOR USE BY INVESTORS OUTSIDE OF THE EUROPEAN UNION.**

This disclosure is made in respect of the Fund pursuant to Article 10 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**") as supplemented by the Commission Delegated Regulation 2022/1288 of 6 April 2022 supplementing SFDR and the EU Taxonomy (the "**Delegated Act**").

**THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR AN INVITATION TO SUBSCRIBE TO INTERESTS OF THE FUND OR ANY OTHER ALTERNATIVE INVESTMENT VEHICLE AND THE INFORMATION PRESENTED IN THIS DOCUMENT SHOULD NOT BE RELIED UPON BECAUSE IT IS INCOMPLETE AND MAY BE SUBJECT TO CHANGE.**

In case of any inconsistency between this disclosure and the confidential private placement memorandum of the Fund, as amended and supplemented from time to time (the "**Memorandum**"), the Memorandum shall prevail. Defined terms not otherwise defined have the meaning given to them in the Memorandum.

The Investment Manager, the GPs and the Investment Adviser (each as defined below) consider that the Fund has a sustainable investment objective within the meaning of Article 9 of SFDR in effect as at 1 January 2023 ("**Article 9**") and intend that the Fund should be operated in a manner that complies with the requirements of Article 9 and the Delegated Act as at 1 January 2023 (the "**Requirements**"); however, nothing in this disclosure or the Memorandum constitutes a guarantee that the Fund can be operated in a manner that complies with any amendments, extensions, re-enactments, interpretations or replacements to the Requirements which become applicable at any time following 1 January 2023, including in response to statutory or regulatory guidance or changes in industry approach or generally accepted practices.

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## **(a) Summary**

The sustainable investment objective pursued by the Fund is to target buyout and growth investment opportunities in companies that deliver "Impact", within the Fund's four sector themes: Health & Wellness, Climate, Environment & Resource Efficiency, Social & Economic Mobility and Digital Impact Enablers (being investments primarily in the technology sector which can help to drive "Impact" across the other three areas).

The term "**Impact**" is used throughout this disclosure, and is defined as the creation of positive societal and/or environmental impact by a company, generated by its core business activities ("what the company does"), as well as how such company is managed from a social, environmental and governance perspective ("how a company operates").

The attainment of the Fund's sustainable investment objective is expected to be measured through the use of certain Impact measurement tools to evaluate the suitability of a potential investment and to track key Impact post-investment developments as further described in this disclosure.

The Fund's planned asset allocation (as set out further in section (e) below) is to be 100% invested in "sustainable investments" in accordance with the Fund's sustainable investment objective. The Fund is expected to be invested in both environmentally sustainable investments and in socially sustainable investments but there is no fixed proportion as to these categories and therefore no minimum commitment in isolation either to environmentally sustainable investments or to socially sustainable investments.

Apax Global Impact GP Co. Limited (the "**Investment Manager**"), Apax Global Impact GP L.P. Inc. and Apax Global Impact GP S.a.r.l. (the "**GPs**") and Apax Partners LLP (the "**Investment Adviser**") do not commit that, at the moment of investment, the Fund will make sustainable investments in economic activities that qualify as environmentally sustainable under the EU Taxonomy, and no assurance is made that the Fund will make any such investments. Moreover, no index has been designated as a reference benchmark in relation to the Fund. However, investments in transitional and enabling activities within the meaning of the EU Taxonomy may be made as an indirect consequence of the Fund pursuing its objective to make 100% of its "sustainable investments" that contribute to either an environmental or social objective within the meaning of SFDR.

This summary was prepared in English and is being translated to other official languages of the European Union. In case of any inconsistencies or conflict between the different versions of the summary, the English language version shall prevail.

## **(b) No significant harm to the sustainable investment objective**

Steps will be taken with an intention to ensure that potential investments for the Fund do not cause significant harm to any environmental or social sustainable objectives.

An initial assessment of each potential investment's suitability and qualification for the Fund is expected to assess the potential investment: (i) under the SFDR; (ii) from an Impact perspective (as defined above); (iii) under the UNSDGs; and (iv) to screen out material negative externalities. Where needed, clarification will be made of key questions for further diligence.

The assessment for the initial qualification under the SFDR (at (i) above) will consider whether the potential investment would cause significant harm to any environmental or social sustainable objective of the SFDR, taking into consideration the principal adverse indicators on sustainability factors. If a potential investment is determined to cause significant harm as part of this assessment, it cannot be considered as an investment for the Fund.

It will also be considered whether, based on available data for adverse impacts on sustainability factors, a prospective investment that does not otherwise cause "significant" harm to any sustainability factor is nonetheless inconsistent with the Fund's Impact thesis, such matters ultimately being within the authority of the AGI Investment Committee to determine for each investment.

The indicators for principal adverse impacts on sustainability factors for the Fund's portfolio (as set out in Annex I to the Commission Delegated Regulation (EU) 2022/1288) will be reported on an annual basis in the annual report for the Fund published in accordance with Article 22 of AIFMD.

As part of the investment process, consideration will be given to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights where appropriate. As it is anticipated that the Fund shall be invested predominantly in "mid-market" companies (to which such principles may be relevant only in part), a proportionate approach shall be taken for determining the extent to which such portfolio companies are aligned with these principles.

## **(c) Sustainable investment objective of the financial product**

The investment objective pursued by the Fund is to target buyout and growth investment opportunities in companies that deliver Impact.

The Fund will target a portfolio of buyout and growth investments in companies which seek to deliver Impact within the Fund's four sector

themes of Health & Wellness, Climate, Environment & Resource Efficiency, Social & Economic Mobility and Digital Impact Enablers (being investments primarily in the technology sector which can help drive Impact across the other three areas).

The Climate, Environment & Resource Efficiency sector theme is expected to include sustainable investments that will contribute to the following environmental objectives under Article 9 of the Taxonomy Regulation (albeit the Fund does not commit to a minimum alignment to the EU Taxonomy): (i) climate change mitigation; (ii) climate change adaptation; and (iii) the transition to a circular economy.

No "reference benchmark" (within the meaning in the SFDR) has been designated for the purpose of attaining the sustainable investment objective.

#### **(d) Investment strategy**

It is intended that the Fund makes 100% of its investments in "sustainable investments" with an environmental or social objective within the meaning of SFDR.

The Fund's objective is to achieve long-term capital growth through a strategy of making investments in companies which will seek to make a positive Impact, typically by way of buyout or growth investments in one or more of the Fund's four sector themes described in section (c) above. The Fund shall not make an investment in any portfolio company that it is determined is not an Impact investment.

#### **(e) Proportion of investments**

The Fund's planned asset allocation is to be 100% invested in sustainable investments in accordance with the Fund's sustainable investment objective. The Fund is expected to be invested in both environmentally sustainable investments and in socially sustainable investments, but there is no fixed proportion as to these categories and, therefore, no minimum commitment in isolation either to environmentally sustainable investments or socially sustainable investments.

Hedging transactions may be undertaken to mitigate interest rate risk or currency risk for the purposes of efficient portfolio management but not for speculative purposes. Accordingly, the Investment Manager, the GPs and the Investment Adviser do not regard such positions as being "investments" for the purposes of the asset allocation set out above.

For the avoidance of doubt, the Investment Manager, the GPs and the Investment Adviser do not commit that, at the moment of the investment,

the Fund will make sustainable investments in economic activities that qualify as environmentally sustainable under the EU Taxonomy.

### **(f) Monitoring of sustainable investment objective**

Post investment and during the holding period, to the Fund expects to measure Impact outcomes for its investments by way of Key Performance Indicators (“**KPIs**”) to track changes within three components: (i) increasing the scale of Impact (e.g. number of customers served); (ii) increasing the depth of Impact (e.g. the amount of Impact enabled per customer); and (iii) increasing the ESG impact (e.g. diversity of the workforce). It is intended that Impact improvement data will be reported to investors annually.

### **(g) Methodologies**

The Fund intends to make 100% of its investments in “sustainable investments” within the meaning of the SFDR. As described above, the Fund’s objective is to achieve long-term capital growth through a strategy of making investments in companies which will seek to make a positive Impact.

The following steps are expected be taken to evaluate the suitability of a potential investment and to monitor key Impact post-investment developments:

- Potential investments will be screened initially based on fund strategy and Impact criteria (as defined above), as well as to confirm alignment with the UNSDGs and SFDR, to screen out material negative externality and, where needed, to clarify key questions for further diligence.
- During due diligence, potential investments will be scored from an Impact perspective to help evaluate strength of correlation between a potential investment to relevant Impact attributes (e.g. alignment with the Fund’s objectives, accessibility of the product or service, significance of the Impact or the nature and durability of the company’s Impact), test the Impact thesis, analyse key Impact questions and help facilitate a final investment decision.
- Post investment and during the holding period, Impact outcomes are expected to be measured by way of selected KPIs to track changes within three components: increasing the scale of Impact (e.g. number of customers served), increasing the depth of Impact (e.g. the amount of Impact enabled per customer), and increasing the ESG impact (e.g. diversity of the workforce). Investments will typically be

assessed annually to monitor the progress of Impact value creation under the Fund's ownership.

#### **(h) Data sources and processing**

The Fund will rely on data provided directly by portfolio companies to ascertain whether the Fund attains the sustainability indicators.

Data on ESG KPIs is expected to be collected directly from portfolio companies as part of the annual KPI collection process. This data will be used to inform the Apax Impact Improvement Score for each portfolio company. The Apax Impact Improvement Score KPIs are also expected to be collected directly from portfolio companies in the Fund.

Apax has built a data analytics platform designed to pool together portfolio company data streams within its systems, both financial and non-financial. The full Apax ESG indicator set is merged into this data platform. Online access to a summary of the ESG data set is provided to all investors through the Apax investor portal and each Apax fund limited partner can directly download relevant indicators by portfolio company.

The Apax Impact Improvement Score will also be available and accessible in the investor portal.

#### **(i) Limitations to methodologies and data**

KPI data is expected to be provided by portfolio companies directly into the monitoring platform as referenced in section (h) above. For KPIs such as carbon emissions, industry standard methodologies for the required calculations are expected to be used.

From a methodology and data perspective, a key limitation is that, in some cases, portfolio companies may not be able to provide all KPI data requested, given the lack of data/KPIs not being relevant for the specific business.

#### **(j) Due diligence**

Prior to making an investment, sustainability risks and opportunities will be considered. Specifically, each proposed sustainable investment is expected to be evaluated using the Apax Impact Triage Tool during the due diligence process against a matrix/framework that reflects the indicators for relevant adverse impacts on sustainability factors. The information from this evaluation will be used to assist the Fund in determining whether the proposed investment meets the "do no significant harm" principle.

The assessment under the Apax Impact Triage Tool for initial qualification of a potential investment under the SFDR will consider whether the

potential investment has good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

If it is determined that a potential investment does not follow good governance practices as part of this assessment, it cannot be considered as an investment for the Fund.

### **(k) Engagement policies**

To monitor portfolio company ESG performance following an investment, ESG KPI data is expected to be collected annually from all portfolio companies where Apax has the ability to influence the integration of ESG considerations. Through this post-investment monitoring process, it is anticipated to capture the ESG footprint of the portfolio companies and determine areas of materiality where input from investment professionals will create additional value or mitigate risk throughout the life of the investment.

This process is intended to enable Apax investment professionals to engage with portfolio companies and thoughtfully put in place the appropriate people, processes, and technology to strive for value creation or risk mitigation in a more focused and effective manner.

Apax's Operational Excellence Practice is expected to be an integral partner to Apax investment professionals during this engagement process, working together to drive value or mitigate risk relevant to a particular portfolio company's material ESG issues (e.g. natural resource efficiency programmes) and realise the potential opportunities for value creation that were discussed pre-acquisition. Specifically, Apax intends to engage with Apax fund portfolio companies on a thematic basis with regard to Inclusion and Diversity and Climate Action. Apax staff will support portfolio companies in setting out their strategies to improve their performance in these areas.

### **(l) Attainment of the sustainable investment objective**

No index has been designated as a reference benchmark, and information on how the sustainable investment objective of the Fund is being attained will be provided to investors in the annual report of the Fund with reference to the commitments previously set out in the pre-contractual disclosures of the Fund.