



CLIMATE TRANSPARENCY REPORT

2019

APAX PARTNERS LLP

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-8430B8DD-7006-4CF5-8D16-DE1B76202DEC/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	-	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	-	Public				
SG 07.7 CC	-	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	-	Public				
SG 13.4 CC	-	Public				
SG 13.5 CC	-	Public				
SG 13.6 CC	-	Public				
SG 13.7 CC	-	Public				
SG 13.8 CC	-	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	✓	Public				
SG 14.5	-	Public				
SG 14.6 CC	-	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	-	Public				
SG 15.1	✓	Public				
SG 15.2	-	Public				
SG 15.3	-	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	APAX PARTNERS LLP
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 10 - 29.99 billion AUM
Main Asset Class	>50% Private Equity Internally Managed
Signed PRI Initiative	2011
Region	Europe
Country	United Kingdom
Disclosure of Voluntary Indicators	32% from 38 Voluntary indicators

APAX PARTNERS LLP

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Apax firmly believes that a focus on responsible investing can lower risk and enhance financial returns for the Apax Funds and underlying portfolio companies, whilst also creating a net benefit for society.

Apax is a proud, voluntary signatory to the UN Principles for Responsible Investing ("PRI") and has implemented processes to adhere to those principles, where and when appropriate. 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. Apax's sustainability programme covers the lifecycle of a Fund investment from pre-investment due diligence to post-investment monitoring, value creation, and reporting.

From the outset we recognised the value a responsible investment strategy could bring not only to maximise economic returns for investors, but also to deliver a net benefit for society and the environment. Together with the management teams in the Apax Funds portfolio companies, we have over the years identified and capitalised on a wide range of ESG initiatives designed to create stronger, more robust, businesses by mitigating risks, enhancing value and improving sustainability.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Our comprehensive sustainability programme is fully embedded in the investment process - from identifying ESG risks pre-acquisition, through to working with portfolio companies post-acquisition to monitoring their ESG indicators. Our goal throughout is to achieve a better understanding of the operations of each portfolio company, to assess their ability to manage ESG considerations, and to put in place risk mitigation and value creation initiatives.

Apax investment professionals undertake pre-investment ESG due diligence for each new investment made by the Funds. The focus of the due diligence may vary but, in all instances, will cover the ESG areas that Apax believes are key to understanding the ESG profile of the particular company in which the Funds are considering an investment. During such time, the OEP's extensive knowledge and expertise regarding business operations is routinely tapped into by Apax investment professionals for insight into how, among other things, a target company's existing operations might be optimized, ESG risks can be addressed and mitigated, and avenues for value creation can be unlocked during the Funds' ownership tenure

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 the OEP team members and Apax investment professionals assigned to a particular portfolio company.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
-----------------	------------------	---------------	--------------------	----------------

SG 01.6 CC

Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.

- Efficient use of natural resources;
- Reduction of energy usage;
- Effective waste management and minimal land contamination;
- Reduction of pollution and appropriate handling of hazardous waste; and

- Compliance with local environmental regulations.

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
-----------------------	--

- Yes
- No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?
-----------------------	---

- Yes
- No

	Explain the rationale
--	-----------------------

TCFD is a key regulatory development and we are currently reviewing how we should augment our current practices in order to incorporate it into our processes.

SG 01.10 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
------------------------	---

- Yes
- No

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
-----------------------	---

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

	specify
--	---------

The publicly available Apax Sustainability Report contains detail on key climate indicators

SG 02	Mandatory	Public	Core Assessed	PRI 6
--------------	------------------	---------------	----------------------	--------------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
----------------	--

- Policy setting out your overall approach

URL/Attachment

URL

URL

{hyperlink:https://www.apax.com/media/771558/apax-responsible-investment-policy-2018-.pdf}

Attachment (will be made public)

Formalised guidelines on environmental factors

URL/Attachment

URL

URL

{hyperlink:https://www.apax.com/media/771558/apax-responsible-investment-policy-2018-.pdf}

Attachment (will be made public)

Formalised guidelines on social factors

URL/Attachment

URL

URL

{hyperlink:https://www.apax.com/media/771558/apax-responsible-investment-policy-2018-.pdf}

Attachment (will be made public)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

{hyperlink:https://www.apax.com/media/771558/apax-responsible-investment-policy-2018-.pdf}

Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{[hyperlink:https://www.apax.com/media/771558/apax-responsible-investment-policy-2018-.pdf](https://www.apax.com/media/771558/apax-responsible-investment-policy-2018-.pdf)}

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{[hyperlink:https://www.apax.com/media/771558/apax-responsible-investment-policy-2018-.pdf](https://www.apax.com/media/771558/apax-responsible-investment-policy-2018-.pdf)}

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

{[hyperlink:https://www.apax.com/media/771558/apax-responsible-investment-policy-2018-.pdf](https://www.apax.com/media/771558/apax-responsible-investment-policy-2018-.pdf)}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{[hyperlink:https://www.apax.com/media/771558/apax-responsible-investment-policy-2018-.pdf](https://www.apax.com/media/771558/apax-responsible-investment-policy-2018-.pdf)}

Attachment

Reporting

URL/Attachment

URL

URL

{[hyperlink:https://www.apax.com/media/771558/apax-responsible-investment-policy-2018-.pdf](https://www.apax.com/media/771558/apax-responsible-investment-policy-2018-.pdf)}

Attachment

We do not publicly disclose any investment policy components

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
-----------------	------------------	---------------	--------------------	----------------

SG 07.5 CC Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or head of department

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investor relations

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
--------------	------------------	---------------	--------------------	--------------

SG 13.1	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
----------------	--

- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities
- No, not to assess future ESG/climate-related issues

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
--------------	--	---------------	----------------------------	--------------

SG 14.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.
----------------	--

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity
----------------	--

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3 Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description

- Tracking of non-financial information/data from the portfolio around resources usage and emissions
- None of the above

SG 14.4 If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

Apax Partners publishes an annual sustainability report which provides insight into the environmental footprint of the Funds' portfolio companies through a number of energy related KPI's. This enables investors in the Apax Funds to have a better understanding of potential climate risk in the portfolio.

SG 14 CC	Voluntary	Public	General
-----------------	------------------	---------------	----------------

SG 14.8 CC Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

- Process for climate-related risks is integrated into overall risk management
- Process for climate-related risks is not integrated into our overall risk management

Please describe

The Apax investment sectors are not focused on heavy industries but predominantly on services, retail, technology and digital businesses. As such, the Apax Funds' portfolio consists of a large number of "asset light" businesses which do not have a significant ESG impact.

Only a few companies have a large Environmental footprint. For example in 2017 83% of electricity kwh was consumed by only 6 portfolio companies with the remaining 17% accounted for by the other 14 reporting companies. From a Fund perspective a small number of companies influence the ESG footprint to a large degree. In the same year, 39% (12) of portfolio companies reporting KPIs indicated that electricity was the most material environmental indicator for their business, with 16% (5) reporting paper usage and another 16% (5) reporting business travel by plane.

Based on this information the Apax portfolio is not as exposed to climate related risks as other more asset intensive portfolios.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
-------	---	--------	-------------	-------

SG 15.1 Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes
- No