

ESG Report 2023

Alpha Associates



A Note on this Report

This report details our commitment to ESG due diligence and highlights our managers' ESG capabilities. The aggregated data is self-disclosed and has not been audited by Alpha Associates AG or any other third-party acting on our behalf or on behalf of our managers, unless otherwise stated. Considering the diverse sectors, regions, products, and asset classes encompassed by our portfolios and underlying managers, this report does not intend to be representative of the asset management industry. Rather, it aims to provide insights into the distinct challenges, opportunities, and outcomes experienced by our fund managers and their associated funds and portfolio companies.

The consolidated data used in this report pertain to the calendar or fiscal year 2022, with potential forward-looking statements made for 2023. As this voluntary document is not mandated or governed by the terms of the EU Sustainable Finance Disclosure Regulation (SFDR), any terminology used in this report is not necessarily intended to be viewed in context of the regulatory bodies that define them.

Unless otherwise indicated, all information refers to the self-reported data provided by the managers and funds that participated in our annual ESG reporting campaign for 2022. Aggregated fund manager metrics refer to the data provided by the "reporting managers", defined as the group of managers that voluntarily provided data for the reporting year ending December 31, 2022.

Aggregated fund metrics refer to the data provided on behalf of the active portfolio of "reporting funds", defined as the group of funds from a manager's active portfolio from which data was voluntarily provided for the reporting year ending December 31, 2022. Direct co-investments received our fund questionnaire and have been identified when applicable in our report.

As fund data was provided on a limited basis, the aggregated ESG scores are based on the scores calculated on a management company level.

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Foreword

We are delighted to present the Alpha Associates annual environmental, social, and governance (ESG) report. This report contains two sections: an overview of the developments at our company and the latest innovations in the ESG space, and a summary of the results of our annual ESG reporting campaign.

Now in its second year, our report and the associated campaign have evolved; however our core methodology has remained consistent. We will continue to expand our ESG reporting capabilities alongside the evolving regulatory landscape.

Over the past year, ESG reporting standards have matured rapidly from a supplementary exercise to an industry-wide obligation. This change has been driven by a growing awareness of the critical role that ESG and sustainability play in addressing the ongoing challenge of the climate crisis.

As global temperatures rise and the effects of climate change become increasingly evident, there is a heightened sense of urgency to adopt sustainable practices and mitigate environmental impact.

Global regulatory authorities have taken note of this paradigm shift and acknowledge the ability that major entities in the financial sector possess to act as agents of change.

In 2022, rigorous disclosure rules were implemented, compelling companies to not only share their ESG practices but also show tangible progress in this area. These directives emphasise the importance of transparency and our shared accountability in cultivating a sustainable tomorrow.

As part of our mission to contribute to the global drive towards transparency, we collect and track key ESG metrics of the underlying managers in our client portfolios, in addition to monitoring our own in-house ESG practices. The Alpha Associates 2022 reporting campaign, conducted once again in cooperation with Reporting21, improved upon our existing processes, refining the methodology that we first implemented for our 2021 campaign.

We appreciate the growing interest in ESG-related disclosures, and we hope that the results presented in this report provide valuable insights for both our investors and our managers. For our investors, we aim to promote transparency and provide a holistic overview of our portfolio. For our managers, we hope to highlight areas of outperformance and areas that require further attention. And for ourselves, we remain committed to a journey of continuous growth and improvement.

In this developing landscape, ESG and sustainability are no longer mere checkboxes or buzzwords for corporations. They have become central components to long-term business strategies, shaping the way that organisations operate, innovate, and engage in order to manage risk and create value for their stakeholders.

As we navigate this transition, we feel it is imperative for organisations to be proactive, adaptive, and genuine in their ESG commitments, ensuring an inclusive and sustainable shared future.

We look forward to updating you on our progress.



Dr. Peter Derendinger
Chief Executive Officer

September 2023



Alpha at a Glance

Alpha has been implementing **ESG standards since 2006**, and our strong ESG foundation and ethics form a key part of our corporate DNA. We endeavour to create lasting, positive change in both our immediate and wider communities, and to that end, we align our goals with the latest industry benchmarks and develop our methodology alongside expert partners.

Our Goals - Profit with a Purpose

As a UN PRI signatory, Alpha is committed to the 6 Principles for Responsible Investing that contribute to the development of a more sustainable global financial system.

We believe that the integration of material ESG factors into the investment process is a core part of our fiduciary duty to act in the best interests of our clients and their beneficiaries.

We further welcome regulatory developments such as the Sustainable Finance Disclosure Regulation (SFDR) aimed at improving transparency in the market for sustainable investment products and preventing greenwashing, as it is imperative that the markets for sustainable financials products are robust and trusted.

Our Partners - Specialists in Sustainability



We have implemented a customised ESG reporting tool in collaboration with **Reporting21**, a Cority-owned software company, to facilitate KPI tracking and collect homogenous ESG data at both fund manager and portfolio level.



We are pleased to have partnered with **Innovest Advisory** to develop a comprehensive impact framework for our SFDR Art. 9 Alpha Impact fund-of-funds, to which Innovest has applied its globally proven processes.



We use **RepRisk** to continuously monitor potential reputational risks in the portfolio and to receive a rating for our managers, allowing us to track outperformers and proactively identify any areas of concern.

5-star

UN PRI rating for our private market activities

17 years

of ESG implementation in our portfolios

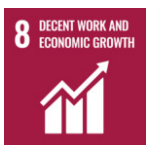
Net-Zero

emissions targeted every year

30+

nationalities across our team of 50 professionals

Main UN SDGs targeted in our investment portfolio



Signatory of:



Environment

Although we prioritise lowering our total carbon emissions through reduction initiatives, we strive for CO2 neutrality and offset emissions generated as a result of business-related flights, which make up the majority of our carbon footprint. On a larger scale, we aim to consistently record and report the carbon footprint for all Alpha client portfolios and work towards reducing it.

Since 2019, we have cooperated with the Swiss climate protection organisation **myclimate** to offset our emissions through voluntary donations to selected climate protection projects. Our total historic carbon offset is equivalent to the carbon sequestered by 164 hectares of forest.

Three-Tiered Approach to Energy Efficiency



Integration of energy conservation methods and initiatives into our daily business operations



Allocating capital to investments with high environmental standards and in accordance with our exclusion list



Offsetting any remaining carbon that results from our business activities (primarily flights)

57% 

less carbon emitted from business flights in 2022 versus carbon emitted in 2019 (i.e. ordinary pre-pandemic travel levels)



Our New Office Space



Although we have a global remit, 100% of our staff are based at our Zurich headquarters. In summer 2022, we completed a move to our new office space at Bahnhofstrasse 13.

In order to balance our growing headcount with our commitment to energy efficiency, we selected an office built to maximise exposure to natural light and already equipped with motion-triggered adjustable lighting systems and an environmentally friendly air-cooling system.

The office's strategic location in the city centre allows the majority of our employees to opt for greener modes of commuting, such as via public transport or on foot, and reduces the reliance on cars.

In addition to prioritising the use of biodegradable and reusable products in the workplace, we seek to minimise our use of paper and regularly host meetings with international partners over video, further reducing our carbon impact.

Social

At Alpha, we pride ourselves on our strong team culture, which is rooted in unity and shared responsibility. One of the metrics we're most proud of is our very high level of diversity across gender and nationality, which is not due to rigid hiring benchmarks but rather is a reflection of our own philosophy, which has been shaped by the principles of the company's founding partners. We believe that companies that fail to take inclusion and diversity issues seriously cannot fully understand the forces impacting their business, the economy, and the world.

Personal Recognition and Growth

Celebrating individual milestones is part of our culture, and we take the time to recognise birthdays, weddings, and significant work anniversaries. We seek to foster a community amongst our wider team through bi-annual off-site events and regular in-house social gatherings.

In instances of parental leave, military leave, illness, or accidents, we commit to providing a full salary — a provision that exceeds the legal mandate — and we are proud to accommodate our student employees, providing them with the flexibility needed to pursue their education while balancing their workload. Our flat hierarchy allows each team member to feel valued, regardless of tenure or seniority.

Our commitment to employee growth extends to professional development and learning. In 2022, we partnered with online education platform **Udemy** to offer our team a diverse array of courses to enroll in.

New hires are provided with the additional support of one-to-one sessions with senior staff members, promoting mentorship and strengthening our culture of open dialogue and collaboration.

15 years

average tenure on a partner level

8 years

average tenure across all staff

10%

of current full-time employees started at Alpha as students

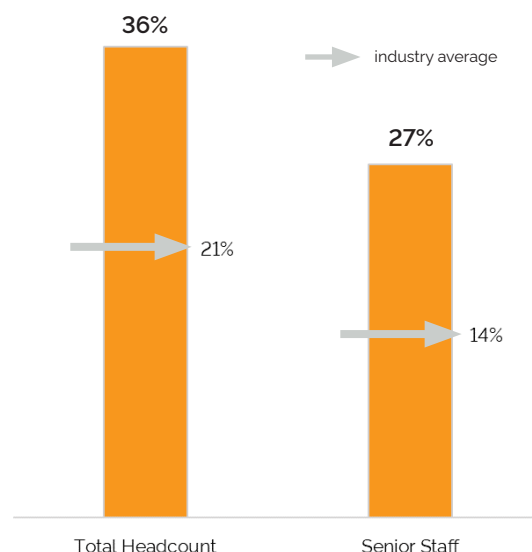
Diversity and Inclusion

We believe that a range of perspectives, backgrounds, and experiences enhances our decision-making and adaptability in an ever-evolving market landscape. While there remains room for improvement, Alpha's **36% female headcount** is well-above the industry average. As of March 2023, women make up just 21% of roles at alternative asset managers, according to data provider Prequin's Women in Alternatives report.

Furthermore, 27% of our senior staff comprises female staff members, nearly double the industry average of just 14%.

We hope to continue to increase the diversity of our workforce as the trend towards gender parity across the industry progresses.

Representation of Female Employees at Alpha



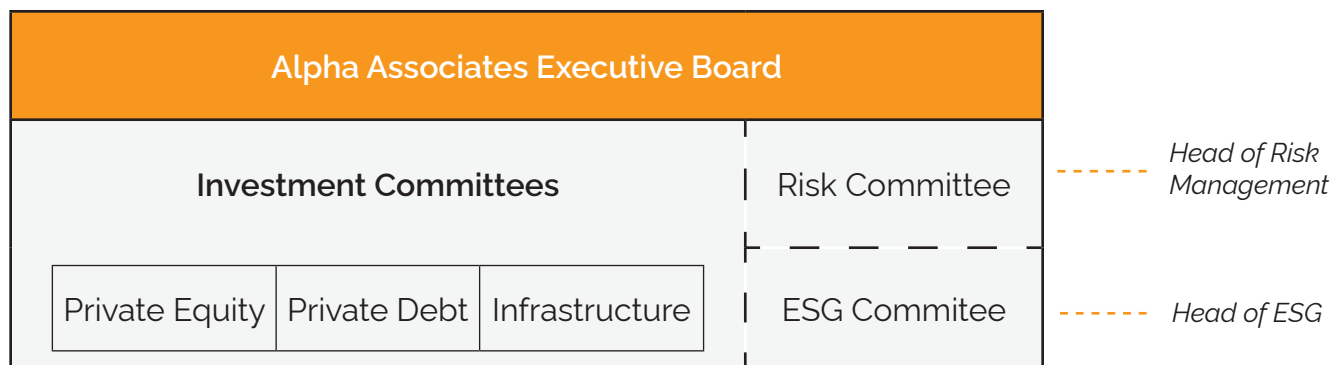
Governance

We recognise the importance of embedding ESG factors into our investment strategies. Our ESG Policy, which can be found in its entirety on our website, is shaped around the 6 Principles for Responsible Investment, as stated below:

- To incorporate ESG issues into investment analysis and decision-making processes.
- To be active owners and incorporate ESG issues into our ownership policies and practices.
- To seek appropriate disclosure on ESG issues by the entities in which we invest.
- To promote acceptance and implementation of the Principles within the investment industry.
- To work together to enhance our effectiveness in implementing the Principles.
- To report on our activities and progress towards implementing the Principles.

Upholding the trust our investors have placed in us is paramount to us. To this end, we maintain rigorous standards of ESG due diligence across all three asset classes we invest in. As part of our due diligence, we utilise a comprehensive ESG questionnaire to help us gauge how fund managers evaluate and address ESG risks both before and after their investments. Shortlisted managers are expected to adhere to ESG standards and provide regular ESG reporting, which we seek to actively enforce through side letters.

Our aim is to contribute to the evolving ecosystem by challenging our fund managers to improve their ESG frameworks and processes. Additionally, our internal standards are anchored in industry best practice. Alpha employees are expected to uphold rigorous ethical, business, and legal standards in all aspects of their roles.



The **Alpha ESG Committee** is part of the Alpha Risk Committee, which actively monitors the implementation of the Alpha ESG Policy and approves any significant initiatives proposed to enhance it.

The Head of Risk Management is a member of the Alpha Associates Management Board, allowing for a direct reporting line throughout operational and executive functions. He participates in all Investment Committee meetings, has a veto right, and is responsible for managing risk within the entire organisation.

The Head of ESG spearheads our responsible investment initiatives, providing ESG-centric advice across the business, particularly to the investment team during the due diligence process.

Thought Leadership

We seek to contribute to the ongoing conversation surrounding impact investing, trends in ESG, and the intricate web of global regulations. Our insights aim to not only shed light on the complexities of the global energy transition but also to drive meaningful change and innovation in the realm of sustainable finance and investment. Please see below a selection of articles, which we have published in cooperation with Innovest Advisory over the past year. The articles are available on our website.



[Why Impact Investing Needs an SFDR Art. 9 Fund-of-Funds Approach](#)

This article looks at how a fund-of-funds approach allows institutional investors to access a diversified range of specialist impact fund managers whilst embedding enhanced impact practices across the underlying portfolio.

We also explore ways to address common sustainable investing challenges like greenwashing and how the SFDR enhances fund transparency and product comparability, which enables investors to more easily identify investment products that align with their sustainability preferences.



[Positive impact and attractive returns - mutually exclusive?](#)

We look at how achieving attractive risk-adjusted market returns while simultaneously benefitting society and the planet was once viewed as an impossibility. One would either be a philanthropic investor, prioritising positive impact over financial returns, or a "traditional" investor seeking risk-adjusted market returns (with or without ESG considerations).

This should no longer be the case. What if an investor can achieve both goals? We posit that this should be the ethos of impact investing: "doing well, whilst doing good".



[Impact Manager Selection Framework](#)

As part of our own internal impact framework, we delve into the intricate impact manager selection process that impact funds-of-funds should deploy. We highlight the importance of a comprehensive impact manager selection framework that is essential for building a best-in-class portfolio that not only aligns with SFDR Art. 9 requirements and meets the impact goals set out in the investment strategy, but also achieves risk-adjusted returns.

In-House Excellence in ESG

ESG is an essential part of Alpha's DNA, both in terms of our internal culture and for our portfolio management processes. A UN PRI signatory since 2018, we report annually to the association on our ESG activities and received a 5-star rating in the latest annual assessment of our private markets activities. Our commitment to ESG is present in our investment activities as well, where we invest exclusively in fund managers that implement UN PRI or comparable ESG standards.

Investor Relations

We pride ourselves on our ability to foster clear channels of communication with our investors and provide them with meaningful ESG reporting on a product-specific basis, including regular updates regarding our ESG activities.

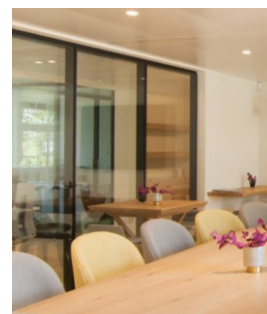
Our regular updates to investors also feature dedicated ESG materials, as the increasing investor appetite for ESG insights goes beyond mere regulatory compliance.



Internal Initiatives

Within Alpha, we encourage the creation of initiatives that target diversity and promote positive impact.

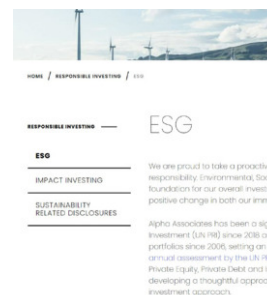
This past year, we launched our own "Brown Bag" Lunch series, where we invite speakers from charitable organisations to share their remarkable journeys and highlight the tangible impact their activities are having on the community.



Full Transparency and Accountability

Alpha's SFDR Art. 9 Impact fund-of-funds is aligned with nine of the 17 UN SDGs, with a particular focus on Climate & Environment, Education & Lifelong Learning, Financial Inclusion, and Health & Wellbeing.

In line with SFDR requirements, all sustainability-related documents are readily available on the Responsible Investment section of our website, which we have continued to expand over the past year.



ESG at Alpha Associates

We are proactive in enforcing high standards of meaningful ESG reporting from our fund managers, and ESG considerations are a staple of our extensive due diligence procedures. The results of our second annual reporting campaign, conducted in cooperation with Reporting21, illustrate that while data at the management company level is more readily available, obtaining underlying fund level data remains a challenge.

Based on feedback from our managers and analysis of the data received, we believe that several factors contribute to this challenge.

The growing emphasis on ESG reporting in private markets, although a positive change, has placed a considerable reporting burden on both fund managers and portfolio companies, stemming from the increased resources needed for data gathering, collation, and dissemination.

Despite the introduction of mandatory reporting standards such as the SFDR's Principal Adverse Impact indicators (PAIs) and the ESG Data Convergence Initiative, there is yet to be one single established reporting standard used by all market participants. The manifold bespoke information requests by various investors further complicate the benchmarking and standardisation of the ESG performance evaluation.

At Alpha, we aim to align our data requests with industry standards; however, the dispersion of geographies and AUM represented across our managers means that crafting a one-size-fits-all survey is not feasible. Recognising this, we have sought to incorporate these nuances into our evaluation process.

The questionnaire that we created alongside Reporting21 seeks to provide our managers with a platform to share standardised, homogenous ESG and sustainability data. As the regulatory landscape shifts and new standards emerge, we plan to continuously adapt our questionnaire and benchmarking approach to capture the most accurate measure of ESG impact.

Our internal analysis is further supported by RepRisk, which allows us to monitor our investments across private equity, private debt, and infrastructure and provides us with a comprehensive view of the potential ESG-related reputational risks associated with our funds. This has increased the precision and scope of our monitoring and reporting practices.

As of the reporting date, we are happy to note that the average RepRisk rating across our product offerings stands at an 'A'. This speaks to Alpha's rigorous manager selection criteria and our commitment to ESG due diligence regardless of asset class.

Although there remains scope for improvement, we are similarly pleased with the results of our ESG campaign, which are highlighted in the following section of this report. For our 2022 campaign, Alpha's funds received an average score of 79% on a management company level, indicating an overall trend towards strong ESG practices amongst our reporting GPs.

Once again, we feel this is emblematic of our robust manager selection process and ESG due diligence capabilities.

Overall, our dedication to ESG is not a mere initiative but a representation of our core values. Through our strategic partnerships, thorough due diligence, enhanced reporting processes, and a forward-thinking approach to sustainability, we continually strive to meet industry benchmarks and improve upon our existing standards.

As we look to the future, our focus remains on maintaining the highest quality of ESG standards and making a lasting positive impact in the private markets ecosystem.



Emanuel Eftimiu
Head of ESG

September 2023



2022 Campaign: Framework & Methodology

In 2021, Alpha Associates first implemented an annual ESG questionnaire with ESG consultant Cority to facilitate the collection of homogenous ESG and sustainability information from portfolio fund managers and investment portfolios via the specialist Reporting21 platform.

After a successful inaugural year, we have continued to build upon our existing processes in order to better refine and interpret the data that we receive. We seek to gather data based on mandatory reporting standards, with the goal of undertaking a consistent, standardised analysis across all respondents. To this end, we have largely based our assessment on the mandatory PAI indicators as set out in the Regulatory Technical Standards (RTS) of the SFDR (see below).

In May 2023, all of the Alpha Associates portfolio fund managers were prompted to access our questionnaire via an individual platform login and provide answers to 65 management company-related questions and 37 fund portfolio-related questions by end of June 2023. In total, we assessed 40 questions for Infrastructure managers, 41 questions for Private Equity managers, and 37 questions for Private Debt managers. For the fund-level score, a total 20 questions were assessed for Private Equity and Private Debt funds, and 24 questions for Infrastructure funds. This was done in order to reward managers who addressed asset class-specific ESG considerations, without penalising managers to whom the metrics did not apply.

Each Alpha Associates portfolio fund manager received a score based on the assessed answers.

Principal Adverse Impacts on Sustainability Factors

Greenhouse gas emissions	<ol style="list-style-type: none"> 1. GHG emissions 2. Carbon footprint 3. GHG intensity of investee companies 4. Exposure to companies active in the fossil fuel sector 5. Share of non-renewable energy consumption and production 6. Energy consumption intensity per high impact climate sector
Biodiversity	<ol style="list-style-type: none"> 7. Activities negatively affecting biodiversity sensitive areas
Water	<ol style="list-style-type: none"> 8. Emissions to water
Waste	<ol style="list-style-type: none"> 9. Hazardous waste and radioactive waste ratio
Social and employee matters	<ol style="list-style-type: none"> 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprise 11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises 12. Unadjusted gender pay gap 13. Board gender diversity 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)

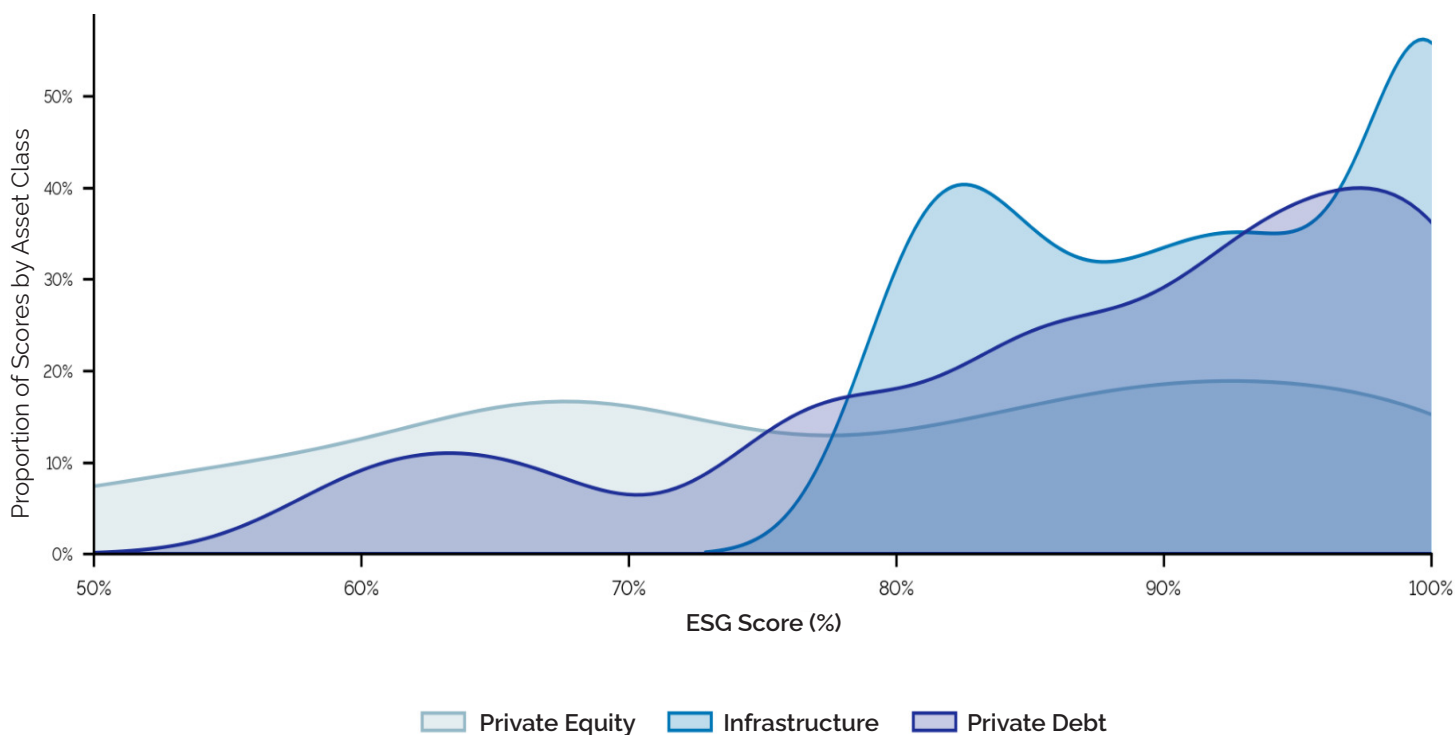
2022 Campaign: ESG Scores by Asset Class

All scores were converted into percentages and displayed using the traffic light system in line with the Alpha Associates ESG policy. For the 2023 ESG Report, we reviewed our scoring methodology and set more demanding thresholds, in order to challenge our managers to continuously improve upon their processes.

Therefore, scores between 50-70% are now displayed in **amber** (previous range 33-66%), and scores between 70-100% are now displayed in **green**. N/A is displayed when no meaningful score could be determined due to lack of data provided.

All portfolio fund managers receive feedback from Alpha on the answers provided and their overall score achieved. Our goal is to provide our portfolio fund managers with guidance on best practices and areas for improvement, while increasing our own oversight of relevant ESG metrics within our client portfolios.

ESG Score Occurrence by Asset Class



Overview by Asset Class as of December 31, 2022

	Number of Funds	Average ESG Score	Average RepRisk Score
Private Equity	> 140	72%	A
Private Debt	> 20	87%	AA
Infrastructure	> 30	92%	A

2022 Campaign: Emissions by Asset Class

In order to provide a meaningful metric, we have calculated our *Financed Emissions Intensity*, which measures the emissions that are generated as a result of capital committed on behalf of Alpha clients. In line with industry standard, we included only Scope 1 and Scope 2 emissions in our assessment.

This approach is in line with the methodology recommended for asset managers by the Partnership for Carbon Accounting Financials in their Global GHG Accounting & Reporting Standard. The Weighted Average Carbon Intensity (WACI) method, although endorsed by the Taskforce for Climate-related Disclosures (TCFD), is measured against revenue in USD millions, which is an unsuitable metric to apply across a multi-asset and multi-product portfolio.

The individual emissions intensity was calculated for each of the reporting managers that provided data, expressed in t CO₂e / \$B AUM. This metric is in line with the TCFD, which noted that as of November 2022, 42% of asset managers reported their GHG emissions relative to their AUM.

Additionally, this metric is agnostic to asset class and applicable to all our managers, regardless of their geography or size, allowing us to benchmark managers and assess their individual carbon efficiency.

$$\sum_{\text{Manager}} \text{WT of Alpha commitment} \times \frac{\text{Manager's Scope 1 + 2 t CO}_2\text{e}}{\text{Manager's AUM in \$B}} = 13.02 \text{ t CO}_2\text{e / \$B AUM}$$

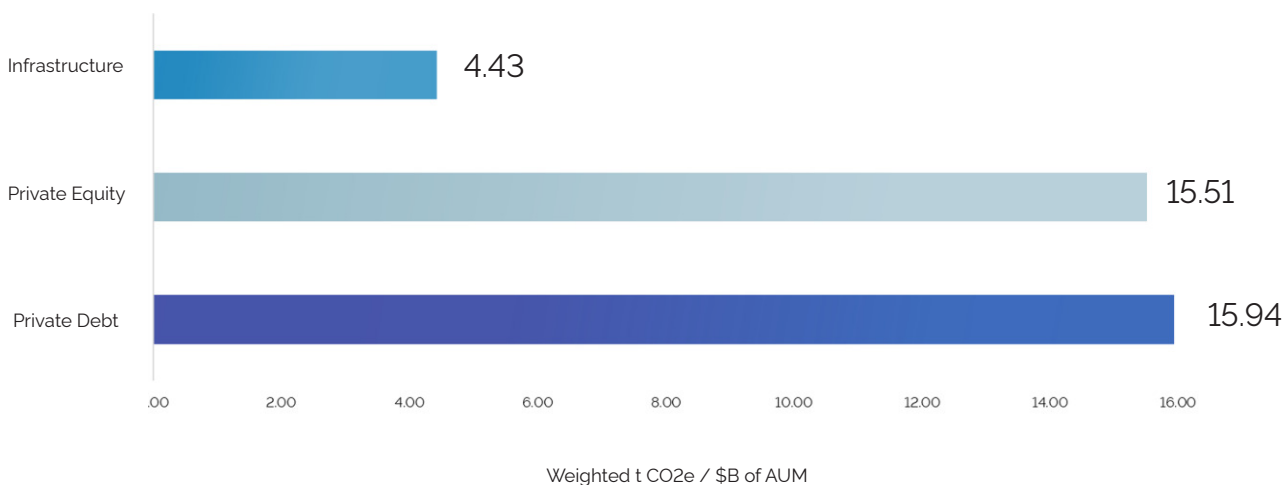
**Alpha Client Portfolio
Financed Emissions
Intensity 2022**

As not every manager was able to provide carbon emissions data for 2022, Alpha's *Financed Emissions Intensity* calculation is based on the 42% of reporting managers that provided their emissions data.

The emissions have been weighted based on the total capital committed on behalf of Alpha clients among this group, which allows us to provide a holistic view of our carbon responsibility relative to our exposure to each portfolio fund.

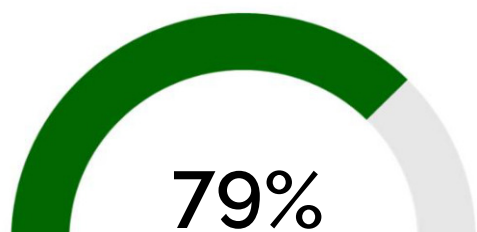
We have further calculated Alpha's *Financed Emissions Intensity* by asset class, based on the weighted average of our total commitments on behalf of our clients to each individual asset class.

Alpha Associates' Client Portfolio *Financed Emissions Intensity* by Asset Class



2022 Campaign: Combined Portfolio Results

Alpha ESG Score



RepRisk Rating



Based on the 2022 reporting by our portfolio fund managers, the ESG score for all of Alpha's managers combined stands at **79%**. This represents a **7% increase** in absolute terms from our previous year's report.

The underlying portfolio of all of Alpha's portfolio fund managers are tracked and monitored on the RepRisk ESG Risk Platform and for 2022 had a RepRisk Rating of **A**, representing a low ESG risk exposure across our portfolio.

Across our portfolios, we can observe a consistent shift towards the integration of ESG principles, as indicated by our overall score increase from the previous year. The collective ESG performance metrics are notably robust, with our primary four indicators being well-represented among our reporting managers. As expected, all our portfolio fund managers have an ESG Policy as this is an Alpha requirement and collected during our investment due diligence. That said, gender representation, particularly in leadership roles, remains a challenge. While some of our managers display impressive gender diversity figures, the disparity between the top performers and bottom performers is significant. Similarly, while nearly half of our managers have been able to provide their carbon footprints, there is a notable segment that is still unreported.

Key Metrics



13.02 t CO₂e / \$B
Financed Emissions
(Weighted Average)



37%
Average Total
Female Headcount

21%
Average Female
Investment Team

18%
Average Female
Board Representation

100%

Managers have an ESG Policy

72%

Managers have an Exclusion Policy

67%

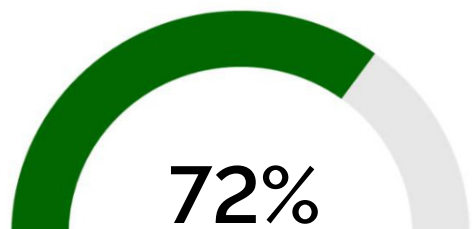
Managers are UN PRI signatories

63%

Managers have a Sustainability Policy

2022 Campaign: Private Equity Results

Alpha ESG Score



RepRisk Rating



Based on the 2022 reporting by our Private Equity portfolio managers, the ESG score for Alpha's Private Equity portfolio stands at **72%**. This represents a **2% increase** in absolute terms from our previous year's report.

As of the reporting date, the total Alpha Private Equity client portfolio consisted of more than 140 funds, which are tracked and monitored on the RepRisk ESG Risk Platform and for 2022 had a RepRisk Rating of **A**.

As our largest asset class by number of managers, Private Equity presents a diverse yet evenly distributed range of data. While the assessment of the ESG framework of a fund manager is part of our due diligence and selection process, the levels of ESG integration and reporting differ among the various fund managers. Notably, geography, investment strategy and size of the fund manager plays a key role in determining a manager's ESG scope. Specifically, European managers tend to showcase a more consistent alignment with the requested ESG data, while North American and Venture managers are less cohesive in their approaches.

Key Metrics



15.51 t CO₂e / \$B
Financed Emissions
(Weighted Average)



37%
Average Total
Female Headcount

21%
Average Female
Investment Team

15%
Average Female
Board Representation

100%

Managers have an ESG Policy

65%

Managers have an Exclusion Policy

56%

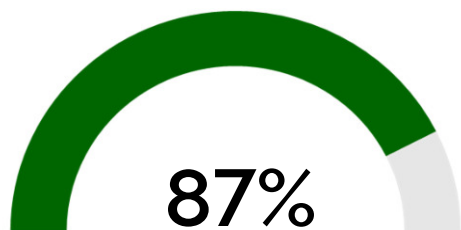
Managers are UN PRI signatories

56%

Managers have a Sustainability Policy

2022 Campaign: Private Debt Results

Alpha ESG Score



RepRisk Rating



Based on the 2022 reporting by our Private Debt portfolio managers, the ESG score for Alpha's Private Debt portfolio stands at **87%**. This represents a **6% increase** in absolute terms from our previous year's report.

As of the reporting date, the total Alpha Private Debt client portfolio consisted of more than 20 funds, which are tracked and monitored on the RepRisk ESG Risk Platform and for 2022 had a RepRisk Rating of **AA**.

Strong ESG metrics were reported across all our Private Debt managers. An overwhelming majority of the managers have implemented Exclusion Policies, and their dedication to ESG is underscored by the universal adoption of ESG Policies and adherence to UN PRI standards or the equivalent. Looking ahead, we hope to see an increase in managers with Sustainability Policies. Currently, we observe a marked difference among our managers depending on their region and strategy.

Key Metrics



15.94 t CO₂e / \$B
Financed Emissions
(Weighted Average)



34%
Average Total
Female Headcount

21%
Average Female
Investment Team

22%
Average Female
Board Representation

100%

Managers have an ESG Policy

93%

Managers have an Exclusion Policy

93%

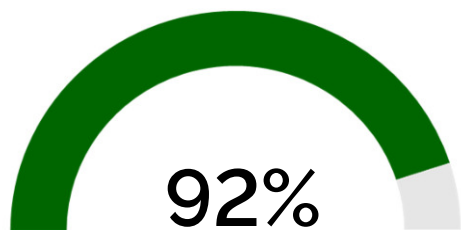
Managers are UN PRI signatories

73%

Managers have a Sustainability Policy

2022 Campaign: Infrastructure Results

Alpha ESG Score



RepRisk Rating



Based on the 2022 reporting by our Infrastructure portfolio managers, the ESG score for Alpha's Infrastructure portfolio stands at **92%**. This represents a slight **1% decrease** in absolute terms from our previous year's report and is due to the more stringent data requirements of our ESG reporting.

As of the reporting date, the total Alpha Infrastructure client portfolio consisted of more than 30 funds, which are tracked and monitored on the RepRisk ESG Risk Platform and for 2022 had a RepRisk Rating of **A**.

ESG scores are consistently high across our Infrastructure managers, reflecting strong internal ESG standards on a manager level, as well as the external regulations that guide the asset class. At 26%, infrastructure records the highest ratio of female board representation among the asset classes in which Alpha Associates invests.

Key Metrics



4.43 t CO₂e / \$B
Financed Emissions
(Weighted Average)



36%
Average Total
Female Headcount

22%
Average Female
Investment Team

26%
Average Female
Board Representation

100%

Managers have an ESG Policy

78%

Managers have an Exclusion Policy

89%

Managers are UN PRI signatories

89%

Managers have a Sustainability Policy

2022 Campaign: Figures & Facts

Below, we are pleased to share some key highlights from our 2022 reporting campaign.

15
of
17



United Nations SDGs targeted among our underlying portfolio funds, with 8, 12, and 13 being the most represented.

5%

increase in managers with Exclusion Policies vs our 2021 results

100%

of our managers have an ESG Policy

2 out of 10

investment team members are female, on average

61 t CO₂e 

per \$B AUM emitted by our most carbon intensive manager. That's equal to driving 141,862 miles.

One underlying portfolio fund reported that female hourly pay exceeded male hourly pay by

10%

UN PRI Signatories

91%

European managers

VS

59%

North American managers

38%

of managers tracking gender metrics on a board level had



0%

female board members.

Glossary

Carbon footprint	A carbon footprint measures the amount of carbon dioxide and methane produced by individuals, organisations, products or practices.
Impact investing	An investing strategy that directs money towards companies that create a measurable, positive change in the world. This may also be called socially responsible investing.
Net-zero	The end-goal when an entity reduces its greenhouse gas emissions as close to zero as possible, compensating for any remaining emissions with equivalent removals.
Scope 1, 2, and 3 emissions	Scopes provide organisations with a way to categorise their carbon emissions. Scope 1 emissions are directly produced from a company's operational activities, such as machinery, heating, and electricity used as part of normal business activities; Scope 2 emissions indirectly arise from a company's acquisition and consumption of energy, which could be reduced by adopting renewable energy procedures; Scope 3 emissions are indirectly caused by activities of a company's clients and suppliers.
SFDR	The EU Sustainable Finance Disclosure Regulation is a European regulation that seeks to standardise the ESG disclosures required of financial institutions. Alpha's Impact Fund-of-Funds is compliant with SFDR Article 9, meaning it has deliberate sustainable intentions as defined by the EU. Both of Alpha Associates' Infrastructure Funds-of-Funds are compliant with SFDR Article 8, meaning they promote ESG characteristics without having specific ESG targets.
UN PRI	The United Nations Principles for Responsible Investment is a UN-supported network of financial institutions that collectively support and promote the UN's 6 guiding principles. Alpha Associates has been a signatory since 2018.
UN SDGs	The United Nations Sustainable Development Goals are 17 goals that the UN has identified as the most urgent areas of need in order to promote peace and prosperity around the world.



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