

Ata Capital revises ESG policy to align with United Nations' SDGs

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/EINPresswire.com/ -- The stakes of doing business are higher than ever before due to ongoing and overlapping global shocks that are disrupting economies around the world. While the current uncertain situation may be unnerving, businesses must maintain their focus on achieving their environmental, social and governance (ESG) targets. Doing so will ensure robust and resilient social and economic outputs that do not compromise the needs of future generations and may unlock value-accretive opportunities that contribute to a new sustainable economy.



Ata Capital - Achieving the SDGs

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At Ata Capital, ESG is part of who we are and what we do as a fund manager and is therefore seamlessly embedded into our investment process.”

Sharlinee Nayager

ESG is part of Ata Capital’s identity and what they do as a fund manager and is, therefore, seamlessly embedded into the company’s investment process. Ata Capital’s commitment to ESG goes beyond mere compliance to ensure that the fund manager’s investments deliver tangible and sustainable outcomes for society, communities and the environment.

Because Ata Capital understands the value of adopting a strong ESG ethos not only within the business but also in

portfolio companies, the company has recently updated its ESG policy to ensure that these standards become the overarching framework that informs the strategic thinking of their entire firm and investment process and that these benefits cascade down to the portfolio companies.

Ata Capital's ESG ethos is fundamentally integrated into the business model and the business models of the portfolio companies providing the company with the blueprint for how businesses should be run on a day-to-day basis. By holistically integrating ESG outputs across all facets of a business, one can better manage risks and protect value, while also creating new opportunities to unlock meaningful impact and value-creation drivers.

When reviewing their ESG policy, Ata Capital combined the highest investment governance and ESG best practices with what the company identified as imperative for their investment partners and their portfolio companies while taking into consideration the macro-economic conditions that exist in South Africa and created a realistic ESG policy blueprint for themselves.

The revised ESG policy now also ensures that Ata Capital's ESG standards are more closely linked to the universal economic, environmental, and social targets of the United Nations' Sustainable Development Goals (SDGs). This is to ensure that the company is well-placed to invest in projects, companies and economic sectors that contribute to achieving the SDGs and achieving meaningful, sustainable, and inclusive growth within South Africa.

A new niche for private equity in South Africa

Ata Capital's ESG policy, which is informed by its fund management philosophy, seeks not only to deliver superior investment returns but also to deliver value for impact-focused private equity investors who understand and appreciate the developmental challenges within South Africa's socio-economic landscape.

Because Africa is currently only partially on course to achieving just a handful of the SDGs, the company's investments aim to create meaningful impacts within their portfolio companies that have long-lasting positive outcomes on the growth and sustainability of South African economies, communities, and the environment, as informed by the SDGs.

The impacts that Ata Capital helps their portfolio companies to create are meaningful in many ways: Meaningful to individual staff members in positively transforming their roles within the business; meaningful to communities in helping to change people's economic circumstances; and meaningful to the environment in ensuring that their operations reduce harm to the environment by adopting sustainable business practices.

In the context of South Africa's challenging socio-economic environment, one of the biggest hurdles that small and medium-sized businesses in the country face is accessing the required finance and support needed to unlock growth. Ata Capital believes that private equity investment management firms like them play an important role in this. While they provide a much-needed capital injection into these businesses, they also become a long-term partner in these businesses by leveraging their knowledge and experience to help, support, manage, guide, and ultimately foster the growth of these businesses.

With funding in hand, another hurdle that businesses will face is how to successfully navigate ESG compliance and performance requirements. Ata Capital, therefore, assists its portfolio companies, particularly their small and medium-sized businesses, with the necessary guidance on growing their business through the adoption of a holistic approach to ESG. This approach goes beyond the mere identification and management of risk, but rather aims to identify value-creation opportunities and create meaningful impact within the business, for its employees, and within the areas and communities in which the business operates – which in turn helps to achieve organic positive impact directly linked to the SDGs.

In doing so, the company is intentional and hands-on throughout the investment process in driving change and transformation within its portfolio companies by being actively engaged in the inner workings of the company and having a seat at the table to drive strategic initiatives. This allows Ata Capital to hold itself accountable for driving improved ESG performance within portfolio companies.

Big picture thinking

Upholding ESG standards and achieving the SDGs requires commitment and dedication, both from the fund manager and the portfolio company. This is testament to the importance of developing a long-term and transparent partnership built of trust.

This trust allows Ata Capital's portfolio companies to feel comfortable enough to be open and honest about their business processes – including current impacts and areas of improvement – during the ESG due diligence process, which take place prior to any investment being made. This level of trust and transparency enables Ata Capital to create a proactive ESG approach that ensures meaningful impact over the life of the investment.

Some of the areas of most significant impact within Ata Capital's portfolio companies have been within their immediate spheres of influence – the communities and areas surrounding their operations – by some of South Africa's most pressing development challenges including inadequate infrastructure, health and well-being, financial inequality, poor levels of education, and gender inequality, besides others.

In addition, the company also focuses strongly on the upstream and downstream impact of its portfolio companies and how to help minimise negative impacts and maximise positive impacts.

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