



Responsible Investment
& Stewardship Policy

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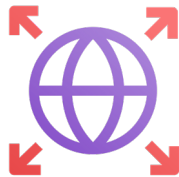
Mission Statement

Apax's mission is to cultivate and help realize the potential of portfolio companies, their management teams, and their employees to generate superior returns for the investors in the Funds it advises – investors that are often pension funds and investment plans, the ultimate beneficiaries of which are millions of individuals.

Apax has a distinct culture with 4 values at its core which guide its decision-making and support the firm in achieving its mission.



A duty to all stakeholders to treat them with respect and to "do the right thing";



Working collaboratively across teams and geographies to achieve optimal results;



An entrepreneurial spirit to seek differentiated opportunities and perspectives;



Seeking out and learning from diverse perspectives to improve continuously.

In commitment to this mission statement, Apax established the Operational Excellence Practice (“OEP”) team, which consists of individuals with a differentiated collection of capabilities and expertise in adding value across multiple functional areas of a company’s operations to support the accelerated growth within Apax Fund portfolio companies.

The OEP helps the Funds identify value creation opportunities during due diligence and generate operational impact during ownership by the Funds. The involvement of Apax’s OEP, therefore, is paramount to the success of the Firm’s commitment to and execution of its responsible investment programme.

Responsible Investment Principles

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 has been a proud signatory to the UN Principles for Responsible Investing (“PRI”) since 2011 and has fully integrated processes to adhere to the six PRI 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. 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 developed a distinctive methodology in 2012 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.

Approach and Scope

Apax is an active investor and works to create long-term relationships with the management teams of the Fund portfolio companies by seeking representation on the boards of these companies. Apax has integrated ESG considerations into its investment processes and ownership practices, in particular, for those portfolio companies where Apax has the ability to control and influence the integration of ESG initiatives. In cases where the Funds are a minority shareholder or where other circumstances affect Apax’s ability to assess or monitor ESG-related performance goals, it may not necessarily be feasible to implement ESG-related principles; however, in such instances, Apax will aim to incorporate ESG-related considerations as much as reasonably possible.

ESG Stewardship Focus

The purpose of Apax's ESG stewardship initiatives for the Fund portfolio companies is to help protect the planet and people with initiatives which contribute to the UN Sustainable Development Goals (such as Climate Action and Gender Equality) by engagement with the Apax Fund portfolio companies. Focusing on preserving and strengthening the portfolio companies' ability to do business in the future by improving resource efficiency, reducing costs, increasing workforce inclusion, equality and stability.

Apax works with portfolio company management teams to focus, in particular, on the following areas:

Environmental



- Efficient use of natural resources;
- Reduction of energy usage;
- Carbon footprint measurement and decarbonisation projects;
- Effective waste management and minimal land contamination;
- Reduction of pollution and appropriate handling of hazardous waste; and
- Compliance with local environmental regulations.

Social



- Eliminating child labour or other forms of forced or compulsory labour;
- Avoiding discrimination (e.g., based on age, race, gender, religion, sexual orientation or disability);
- Consideration of employee working conditions (e.g., minimum wages, working hours, health, and safety of the work force);
- Supply chain sustainability management;
- Product quality and safety; and
- Compliance with human rights conventions (e.g., ILO).

Governance



- Upholding a culture of good governance;
- Abiding by all relevant anti-corruption laws and regulations;
- Prohibiting corruption in all its forms, including extortion and bribery; and
- Positive engagement with key stakeholders.
- Customer privacy, data and cybersecurity

Pre-Investment Due Diligence Framework

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 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.

Prior to the closing of each new investment by the Funds, the findings of the ESG due diligence process are reviewed by a member of the Apax Sustainability Committee (discussed in the Management and Organisation section below) and incorporated into the final Investment Committee documentation. Key ESG issues, representing either a risk to the portfolio company's business or an opportunity for value creation, are highlighted as part of this process. Where necessary, investment professionals will work with the relevant company's management team to develop an improvement plan to address findings post-investment, either in the 100-day planning process or shortly thereafter.

Post-Investment Monitoring and Engagement Framework

To monitor and manage portfolio company ESG performance following an investment, Apax annually collects ESG Key Performance Indicator ("KPI") data from all portfolio companies of the Apax Funds where Apax has the ability to control and influence the integration of ESG considerations, as discussed above within the Approach and Scope section.

Through this post-investment monitoring process, Apax is able to capture the ESG footprint of the Funds' relevant 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 involvement enables the 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 ("OEP") is an integral partner to the 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 realize the potential opportunities for value creation that were discussed pre-acquisition.

Specifically, Apax is committed to engaging with the Fund portfolio companies on a thematic basis with regard to Inclusion and Diversity and also Climate Action. It has dedicated specialists in the OEP who will support portfolio companies in setting out their strategies to improve their performance in these thematic areas.

Climate Action initiatives will involve engagement with portfolio companies in the most recent Buy Out Funds to measure each portfolio company's carbon emissions across Scope 1, Scope 2 and Scope 3. Once a company's carbon footprint has been measured there will be engagement on a decarbonization strategy for each business. This will take into account the materiality of the emissions to the business.

For Inclusion & Diversity Apax is bolstering various programs (e.g., Diversity Sponsorship Program, Ally Program) aimed at further fostering an inclusive culture, where everyone can feel seen, safe, and connected. Apax will also increase its engagement with the portfolio companies as we help them better understand the diversity within their organizations and craft the best strategies to support them. Likewise, we will partner with our advisors by establishing a Supplier Diversity Program, allowing Apax to make a greater impact in the communities it serves.

Transparency and Reporting

Transparency is very important for Apax. Apax maintains multiple channels of communication on ESG matters with its Funds' investors, both in its periodic Fund performance update reports to the Fund investors and through Apax's Annual Sustainability Report, which discloses ESG information on Apax and the Funds' portfolio companies. The Annual Sustainability Report is publicly available on the Apax website and is also sent to all Fund investors. In addition, on an annual basis, Apax takes part in the PRI assessment and the PRI's transparency reports are also publicly available on the PRI website.

Through these channels Apax provides periodic updates to its stakeholders on the implementation of its responsible investment programme and the ESG performance of the Funds' portfolio companies.

In addition, the full Apax ESG metrics suite is merged into the comprehensive data analytics platform, creating additional state-of-the-art analysis capabilities and heightened data accessibility. Online access to the ESG data set is provided to all investors through the Apax investor portal. Every Apax LP has the unique ability to directly download relevant ESG indicators by portfolio company from the ESG data suite for bespoke purposes. Through this additional functionality Apax is delivering on its commitment to providing industry leading transparency across its Funds.

Governance

Responsible investing is part of the day-to-day activities of each investment professional. It is expected that portfolio company management teams and Board members of portfolio companies also actively monitor the ESG performance of their companies. The ultimate responsibility for ensuring that ESG initiatives are implemented and followed resides with each portfolio company's Board of Directors and the Apax investment professionals participating on these Boards actively engage on ESG matters.

In addition, a member of the OEP functions as the main internal resource responsible for the day-to-day implementation of Apax's responsible investment and stewardship efforts, which in turn are coordinated through and overseen by Apax's Sustainability Committee. The Sustainability Committee consists of members from the OEP, Investor Relations, Communications, and Compliance. The Sustainability Committee meets on a monthly basis and reviews matters relating to Apax's internal and external sustainability-related activities to ensure that sustainability and ESG matters are appropriately addressed by investment professionals and the relevant operational groups of the Firm.

Apax Responsible Operations

Apax is committed to upholding the same ESG standards and practices in its operations as it expects from the Fund portfolio companies, in particular on the themes of Inclusion & Diversity and Climate Action.

Apax has the conviction that a broadly diverse work environment leads to better performance both within Apax as well as the portfolio. The Firm has been growing its pool of diverse talent and enhancing its internal policies and practices since 2015 in order to foster an inclusive work environment where all people can thrive.

Apax recognises that the Firm must contribute to a decarbonisation trajectory for its own operations to help protect the planet. Apax is a Carbon Neutral company since 2019 and is setting reduction targets (from a 2019 base year) for its Scope 1, 2 and 3 emissions for 2022 and beyond with a view to aligning with the Paris Agreement.