Task Force on Climate-related Financial Disclosures Report

2024

REPORTING YEAR

Apax Partners LLP &
Apax Partners UK Ltd

June 2025

Introduction & Scope

This Task Force on Climate-related Financial Disclosures (TCFD) report has been produced in accordance with the UK Financial Conduct Authority's (FCA) ESG Sourcebook requirements on climate-related disclosures. The report covers Apax's two in-scope entities, namely Apax Partners LLP and Apax Partners UK Ltd (herein referred to as "in-scope entities'').

The information contained within the Governance, Strategy, Risk Management, and Metrics & Targets sections of this report reflect Apax's group-wide approach to sustainability (including climate) but are inclusive of activities conducted by the in-scope entities. While Apax Partners LLP provides investment advice(1) to the Apax Funds (based in Guernsey and managed by the non-EU AIFMs, the relevant Guernsey general partners, or based in Luxembourg and managed by the EU AIFM Apax Management Luxembourg SARL), the AIFMs are responsible for investment and divestment decisions, portfolio management and risk management for the relevant fund. The AIFM responsibilities are not the focus of this TCFD report.

Neither Apax Partners LLP nor Apax Partners UK Ltd delegates its advisory functions and therefore it is not necessary to address delegation and the interaction between climate-related risks and opportunities in this TCFD Report.

Compliance Statement

In accordance with the FCA's ESG sourcebook rule 2.2.7, I confirm that the disclosures in this entity-level TCFD report for Apax Partners LLP and Apax Partners UK Ltd. and any third party or group disclosures cross-referenced in this report are in compliance with the requirements in chapter 2 of the FCA's Environmental, Social, and Governance (ESG) sourcebook and with the TCFD's recommendations.

Andrew Sillitoe
Co-CEO

Mitch Truwit
Co-CEO

(1) Apax Partners LLP and Apax Partners UK Ltd are regulated investment advisors that provide investment advice to the AIFMs of the Apax Funds. Per the FCA ESG Sourcebook this includes private equity or other private market services consisting of advising on investments on a recurring or ongoing basis in connection with an arrangement the predominant purpose of which is investment in unlisted securities meeting the FCA's definition of in-scope TCFD business activities.

Definition & Data Limitations

Coverage: This report relates to Apax Partners LLP and Apax Partner UK Ltd.'s TCFD in-scope business, except where otherwise specified. Throughout this report, "cohort" means the 41 portfolio companies in funds A9, A10, A11 and AGI included in our initial climate risk scenario analysis, and which represent over 75% of total Apax private equity AUM as of 31 December 2024.

Carbon neutrality: Reference to carbon neutrality throughout this report reflects Apax's internal calculation of Scope 1, 2 and 3 emissions and purchase of equivalent volume of carbon offsets; this determination has not been externally certified.

Financed-emissions data: Relies entirely on self-reported information, which may involve assumptions, proxies and estimates, and reflects varying fiscal-year cut-offs and data-availability constraints across companies

Climate-scenario modelling: Uses the Altitude by AXA Climate platform and each asset's geolocation; as with all climate models, outputs are subject to inherent uncertainties, complex assumptions and sensitivity to input data quality

Ongoing enhancements: We continues to seek to enhance and improve our data-collection processes, quality-controls and disclosure consistency to improve coverage, comparability and transparency in future reports.

Executive Summary

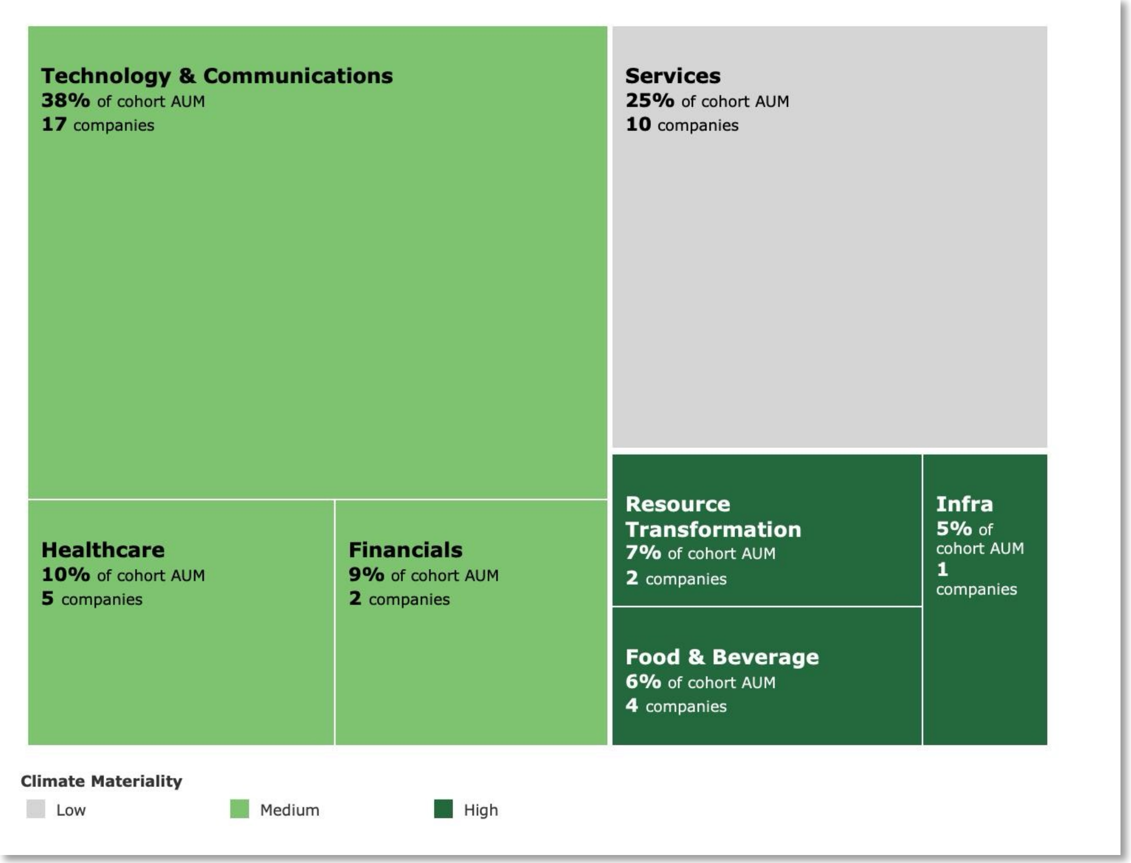
This year's TCFD report marks an evolution in Apax's approach to managing and disclosing climate-related risks and opportunities.

Since 2021, we have been actively supporting portfolio companies in measuring their Scope 1, 2 and 3 emissions. In 2024, we launched our first **climate-risk scenario analysis** —and for the first time began reporting **financed emissions** alongside the firm's operational footprint.

These developments reflect our commitment to data-driven climate stewardship and help us proactively identify climate risks and opportunities that could **materially** affect the portfolio and long-term **value creation**.

- Largest sector, **Technology & Communications**, comprises **38**% of cohort AUM and has medium climate materiality
- **High climate materiality sectors** represent **18%** of cohort AUM and consist of 7 companies
- **Services** account for 25% of cohort AUM with low materiality

PORTFOLIO COMPOSITION BY SECTOR, AUM AND CLIMATE MATERIALITY (1)



(1) Climate materiality based on the Private Equity Sustainable Markets Initiative Taskforce (PESMIT) framework; "High" denotes sectors facing most significant climate-related risks and or opportunities. Cohort AUM reflects total AUM of the cohort defined under "Definitions & Data Limitations" section of this report.

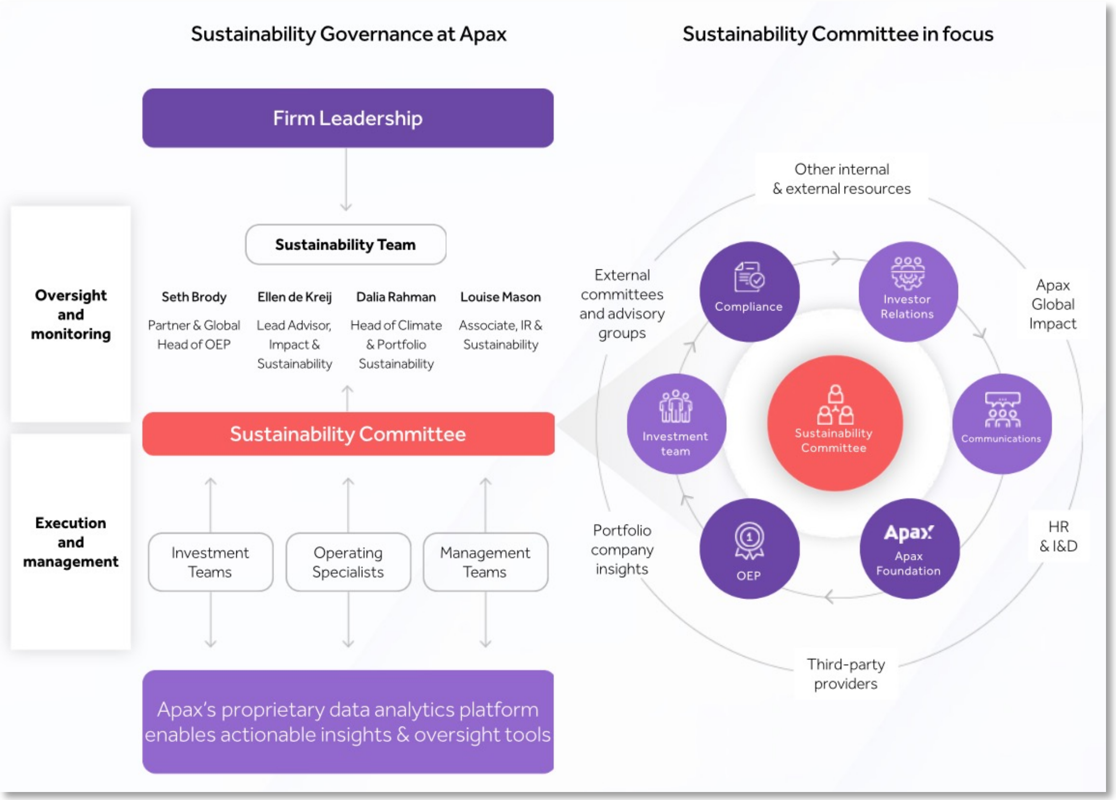
Governance

The **Apax Executive Committee** is the executive body accountable for the oversight of the firm's sustainability activities across the firm's operations and its portfolio engagement strategy.

The Executive Committee is supported by a number of committees and individuals in overseeing sustainability policies and procedures and addressing issues if and when they arise. These include the **Sustainability Committee**, the **Operational Excellence Practice** (OEP) **Sustainability Team**, the **Compliance Officer** and the **Chief Operating Officer** (COO).

Apax's operational sustainability efforts are overseen by the Chief Operating Officer (COO), with support from the **Head of Climate and Portfolio Sustainability** and day to day delegated to the Office Services manager. The COO further drives decisions around carbon offsetting and efforts to achieve carbon neutral goals at the firm.

Implementation of the firm's responsible investment and portfolio engagement strategy is managed by several dedicated sustainability leads including the firm's **Lead Advisor on Impact & Sustainability** and **Head of Climate and Portfolio Sustainability,** under the oversight of the **Global Head of the OEP**. These individuals drive sustainability due diligence for new investments and ongoing engagement with portfolio companies.



The **Sustainability Committee**, comprising nine individuals from across the firm, meets monthly to review sustainability matters, reporting findings and escalating material issues to the Executive Committee, as necessary. Where climate-related issues are identified, the Executive Committee evaluates their impact on the firm's overall investment strategy.

Strategy

Identifying Climate-related Risks & Opportunities

Apax recognises that climate change as a systemic risk and embeds its consideration across its operations and throughout its portfolio engagement strategy. In addition to the risks and opportunities included in our scenario analysis (page 7 and 11), in 2024 we identified the following themes, each of which can impact the portfolio to varying degrees in the short, medium and long term:

- **Regulatory evolution:** Accelerating carbon disclosure requirements
- **Market expectations:** Growing stakeholder demand for climate data and action
- **Operational resilience:** Increasing supply-chain risks amid extreme weather events
- **Financial impacts:** Growing focus on climate impacts on financials & asset valuations

Embedding Climate Across Operations & Investment Process

At the firm level, Apax considers the impact of climate-related risks on our advisory business to be limited given its nature. While Apax has not developed a plan to transition to a low-carbon economy, we endeavour to reduce direct emissions, promote eco-friendly practices within the organization and maintain carbon neutrality through the purchase of high-quality offsets. To the extent that climate is identified as a material risk for the firm as a whole, it will be managed in accordance with our usual risk management processes.

At the portfolio level, Apax recognises that climate change can be a material financial consideration. To ensure we factor these risks and opportunities into every stage of our investment lifecycle, we:

- Evaluate environmental sustainability across multiple dimensions—including emissions, energy consumption, water, waste, biodiversity and regulatory compliance
- Conduct an annual sustainability survey of our portfolio companies covering regulatory compliance, physical and transition risks, stakeholder requirements and supply-chain vulnerabilities
- Engage management and deal teams as and when significant climate risks or exposures are identified

Scenario Analysis

In 2024, Apax partnered with the Altitude platform to conduct climate scenario analysis, informing how we can engage with portfolio companies identified as higher risk. Looking ahead, we intend to leverage findings from this analysis to a) support deal teams in pre-deal due diligence and b) support portfolio companies in the integration of climate risk into governance, internal controls and strategic planning, where applicable and material.

Strategy

Below is a summary of the climate-related risks and opportunities that may influence Apax's operations as well as those of new and existing portfolio companies. This list is preliminary, illustrative and subject to refinements as our climate analysis evolves.

	Risk / Opportunity	Description	Likelihood	Timeframe*
Physical risks	**Severe weather events**	Intensified storms, floods or heatwaves could interrupt operations at Apax offices or across portfolio company sites	High	Short/Medium
	Long-term climate trends	Gradual shifts in average temperature, sea levels and rainfall patterns may affect infrastructure, asset values and markets	Medium	Medium/Long
	Resource constraints	Variability in water availability or key raw materials may raise costs or limit production for exposed portfolio businesses	Low	Medium
Transition risks	**Changing customer preferences**	Growing demand for low-carbon products and services may reduce market share for higher-emitting business models	High	Medium/Long
	Evolving regulation	Introduction or tightening of carbon pricing, disclosure requirements and other climate rules may increase compliance costs	Medium	Short/Medium
	Reputational scrutiny	Stakeholder focus on climate commitments and performance could lead to negative perceptions if expectation are not met or addressed	Low/Medium	Short/Medium
Opportunities	**Operational efficiencies**	Energy and resource-saving measures at portfolio companies may lower costs, reduce emissions and improve competitiveness	High	Short/Medium
	Climate-aligned financing	Demonstrating strong climate practices may improve access to sustainability-linked credit facilities and investor interest	Medium	Short/Medium
	New low-carbon markets	Development or expansion of products and services that support decarbonisation may open new revenue streams and growth opportunities	Medium	Medium/Long
	Resilience advisory services	Assisting companies with adaptation measures (e.g. supply-chain diversification) may create value and strengthen portfolio	Low/Medium	Medium/Long

(*) Short = 0-2 years, Medium = 2-5 years, Long = 5+ years

Strategy

Portfolio Engagement & PMDR Alignment

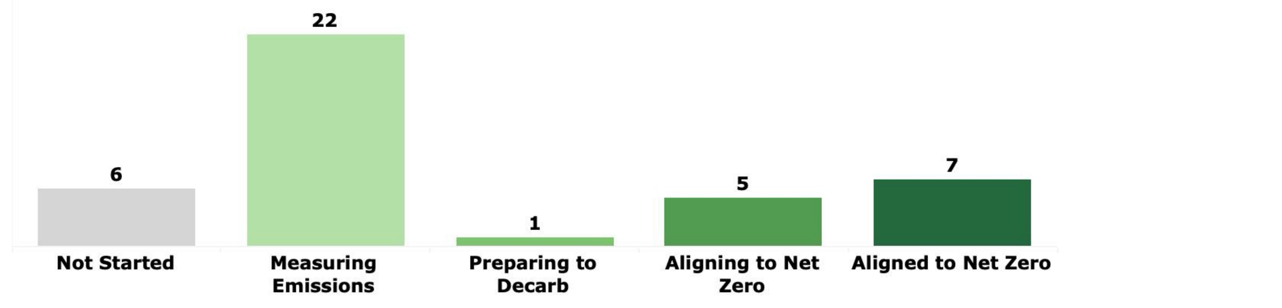
We believe effective decarbonization requires a tailored approach rather than uniform, portfolio- or fund-wide targets. Accordingly, Apax supports companies on their decarbonization journey based on financial materiality, maturity and strategic priorities.

In 2025, the Executive Committee approved adoption of the Private Markets Decarbonization Roadmap (PMDR) framework, which will allow us to:

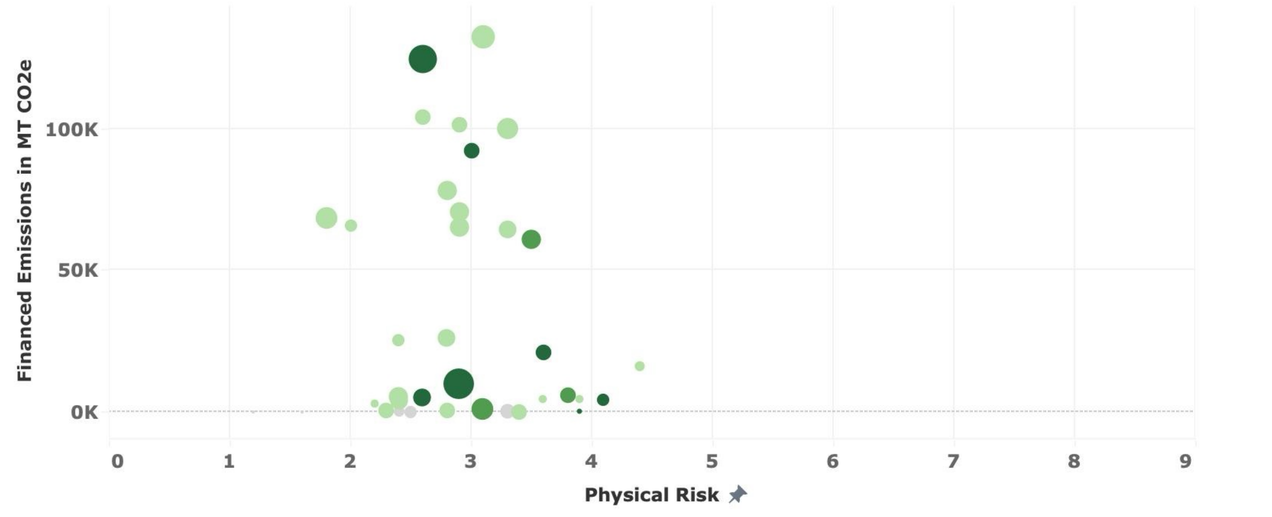
- Establish a **consistent methodology and terminology** to measure and report decarbonization progress
- Support companies in **designing and executing bespoke decarbonization plans**; and
- **Report and communicate transparent** and comparable climate metrics to our LPs

While formal PMDR reporting will begin with 2025 data, a preliminary review of the portfolio suggests that as of 31 December 2024 over two-thirds of companies have progressed to measuring emissions or beyond, with higher physical-risk companies generally further along the PMDR scale.

PRELIMINARY PMDR ALIGNMENT



PHYSICAL RISK BY COMPANY AND FINANCED EMISSIONS AND PMDR STAGE (3)



(3) Excludes one portfolio company with outlier emissions. Bubble size represents $AUM. Bubble colour shade represents PMDR progress (darker green = further along)

Risk Management

Apax's risk management and portfolio engagement are guided by sector and company-specific climate materiality and risk exposure. Our approach spans pre-investment diligence through post-investment monitoring and ongoing regulatory compliance.

Pre-investment due diligence and onboarding

- Our comprehensive pre-investment questionnaire covers a wide range of sustainability topics, including climate-related risks and opportunities
- In 2024, we partnered with the Altitude platform to conduct climate risk scenario analysis. We intend to augment our standard pre-deal due diligence with this analysis on potential investments based on identified materiality
- Post-acquisition, deal teams coordinate an initial meeting between the OEP Sustainability team and portfolio company management to discuss priorities, share Apax expectations and introduce sustainability resources

Monitoring existing and emerging regulatory requirements

- Apax annually monitors portfolio companies' compliance with local environmental regulations; in 2024, 100% of respondents of our annual survey reported full compliance
- Across our own operations, Apax engages legal advisors on existing and emerging climate-related regulations
- As members of the iCI (Initiative Climat International), PESMIT, and other collaborative bodies, Apax participates in regular meetings, webinars, and events to stay current and adapt our strategy to regulatory developments

Post-investment monitoring and engagement

- Post-investment, Apax relies on portfolio companies to provide sustainability data annually, supplementing due diligence findings and enabling relevant and tailored support for management teams
- While Apax's OEP team partners with a subset of portfolio companies on mitigating identified risks, ultimate responsibility for compliance and risk management rests with each management team and board (refer to Apax's Responsible Investment Policy and Strategy section for more detail).
- Since 2021, Apax's carbon measurement program, led by the Head of Climate and Portfolio Sustainability, has equipped over 90% of majority-owned companies with a proprietary tool for annual emissions measurement and reporting. The program has also helped identify emission hotspots within the portfolio and at portfolio companies. The Head of Climate & Portfolio Sustainability continues to engage new and existing management teams on baselining and decarbonization (on a case-by-case basis)
- Moving forward, Apax will leverage Altitude's climate risk analysis tool to support portfolio companies with material climate exposure in better understanding and addressing risks and opportunities

Risk Management

Scenario Analysis

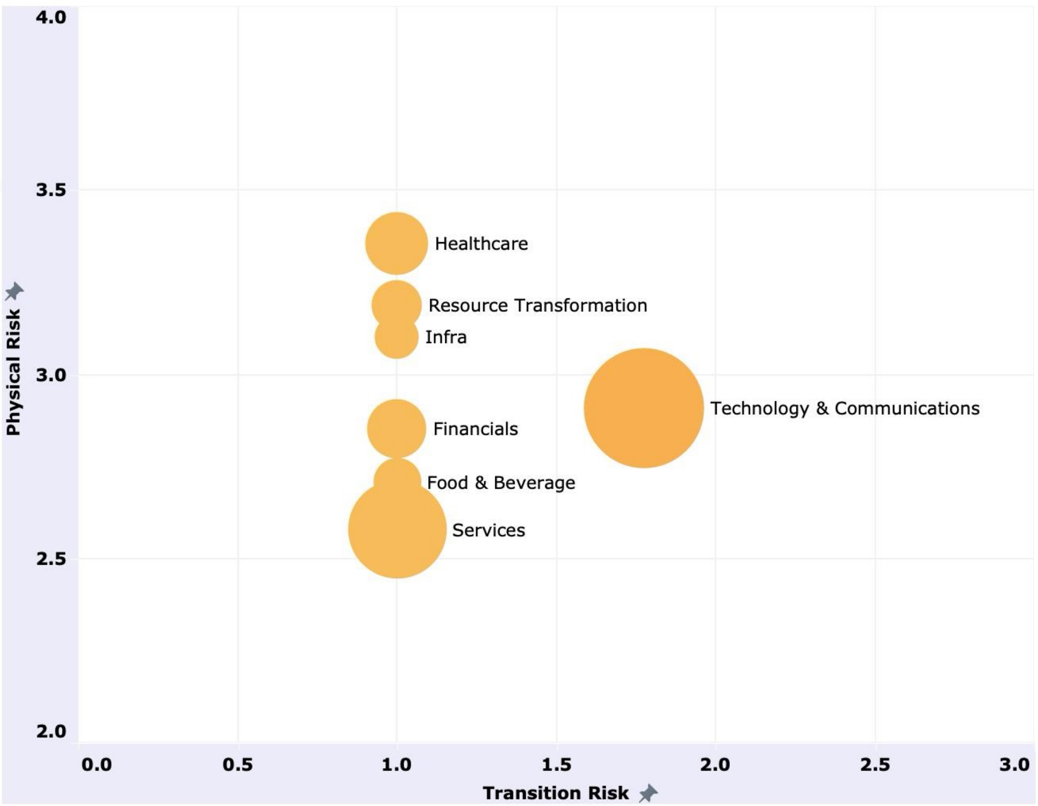
Apax conducted its first climate scenario analysis to identify physical and transition risks and opportunities and to improve our understanding of exposure and resilience in the portfolio.

The results suggest that on an AUM adjusted basis, the portfolio has aggregated Low-Medium levels of climate risk exposure, with slightly lower levels of transition risks vs physical risks. Risk is based on Altitude's 1-9 hazard scale.

For illustrative purposes only, physical risk reflects near term scenario (2030) where global warming is limited to 2.7°C by 2100. Transition risk reflects near term scenario (2030) where annual emissions do not decrease until 2030 and strong policies are needed to limit global warming to below 2°C by 2100.(4)

PHYSICAL & TRANSITION RISKS BY SECTOR

- **Technology & Communications** (largest AUM) shows a moderate average physical-risk score (~3.0)
- **Health Care** and **Financials** exhibit similar risk levels (~2.8–3.3) but have lower exposure due to lower AUM
- Transition risks are broadly low (<2.0), with **Technology & Communications** highest (~1.8)
- **Services and Health Care** exhibit the lowest transition risk (<1.1), suggesting relative resilience to lower carbon environment



Bubble size represents $AUM.

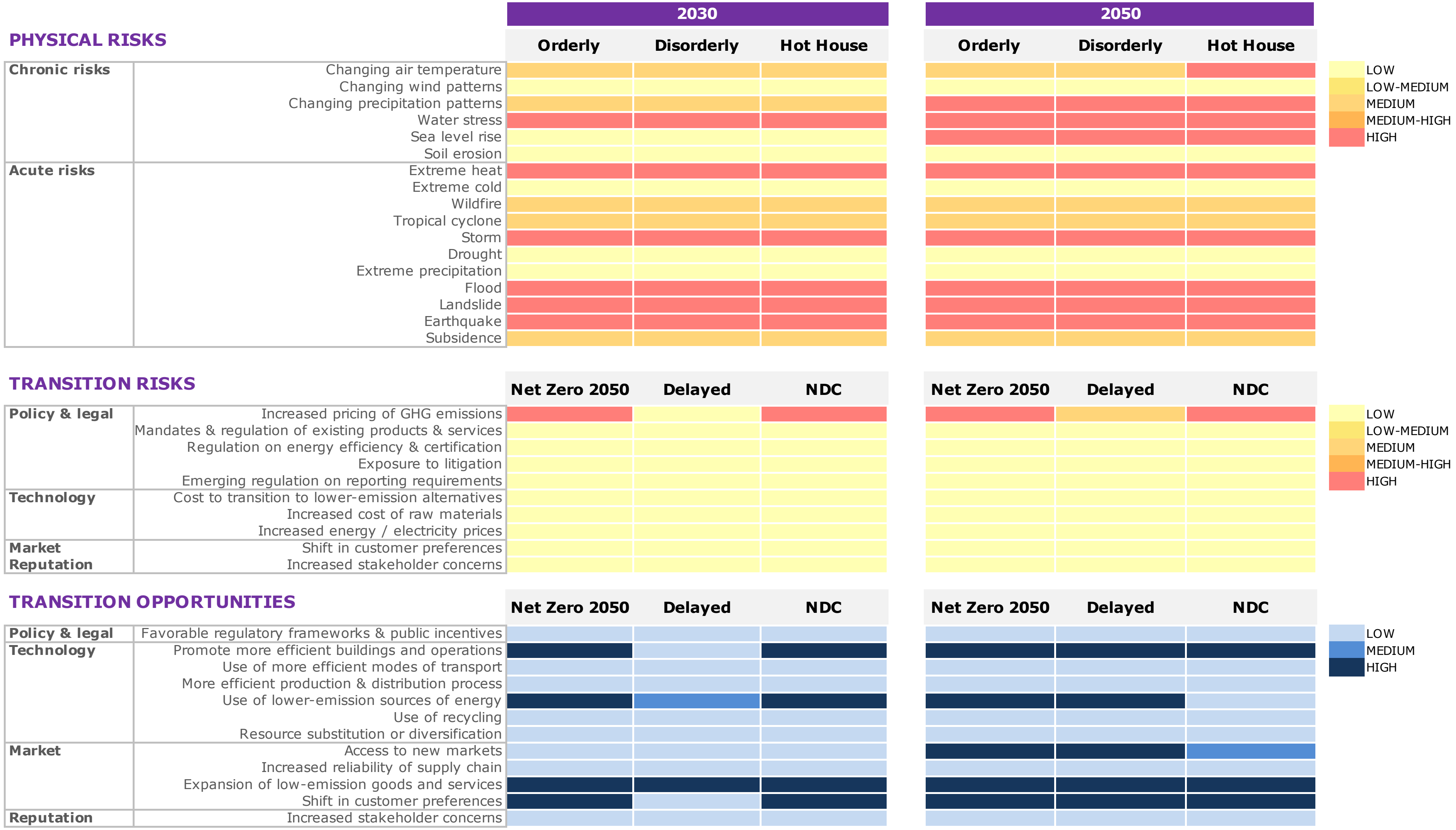
(4) Refer to "Definitions & Data Limitations" section of this report for additional information.

Risk Management

Portfolio Heatmaps[5]

The resulting heatmaps from our climate risk analysis show portfolio aggregated risk levels across each climate hazard in three forward-looking scenarios and two time periods.

- Highest physical exposures to water stress, extreme heat, storms, flood, landslide, and earthquakes hazards, consistent across the three scenarios and both timelines
- Increased pricing of GHG is identified as only material transition risk
- Key transition opportunities include more efficient buildings and operations, use of lower emission sources of energy, expansion of low emission goods and services and shifts in customer preferences



(5) Refer to "Definitions & Data Limitations" section of this report for additional information.

Metrics & Targets

Operational Emissions

Apax continues to measure and manage its operational emissions in line with the GHG Protocol guidelines, covering Scope 1, Scope 2 and Scope 3 emissions (including employee commuting, remote working and cloud/hosted servers). Total operational emissions were down 9% YoY.

Over 80% of our total emissions are associated with business travel, which is often business critical for our industry. At this time, Apax does not use an internal carbon price and does not have any firm-wide climate-related targets.

In addition to encouraging our teams to make more environmentally friendly travel decisions, we have been able to offset our total emissions since 2019 through the purchase of carbon credits. In 2024 we retired all outstanding credits purchased to date and are currently evaluating other high-quality offsets to advance our climate action and maintain our carbon neutrality.

Portfolio Emissions

On the back of a successful carbon measurement program, Apax has been able to collect comprehensive emission data across Scope 1, 2 and 3.

Financed emissions included in this report cover 35 companies in our reporting cohort, which represent over 90% of cohort AUM as of 31 December 2024.

OPERATIONAL EMISSIONS IN MT CO2E

	2022	2023	2024
Scope 1	197	25	47
Scope 2	139	332	89
Scope 3	4,666	6,533	6,154
Total	**5,002**	**6,933**	**6,290**
FTEs	372	386	411

FINANCED EMISSIONS IN MT CO2E

	2024	%
Scope 1	119,244	*6%*
Scope 2	68,219	*4%*
Scope 3	1,652,903	*90%*
Total	**1,840,366**	

Financed **Scope 3** emissions make up **90%** of total financed emissions, in line with industry averages