

Apax's journey
to making its investments
future ready

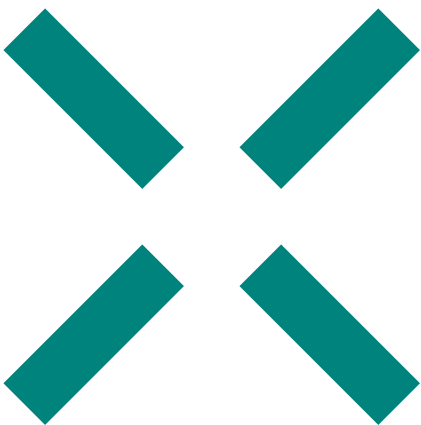
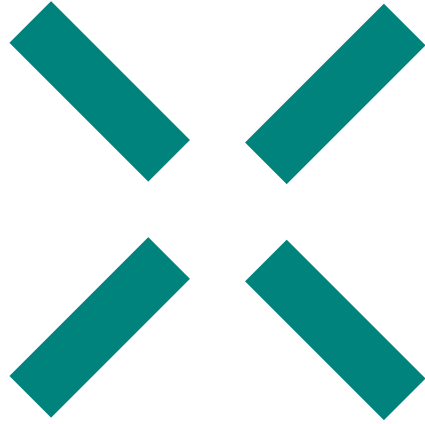


Table of contents

Apax is a leading private equity firm in Europe	4
A word from Eddie Misrahi, Apax CEO	7
A new sustainable strategy for Apax	8
Our approach: to co-develop a new strategy with all our key stakeholders	10

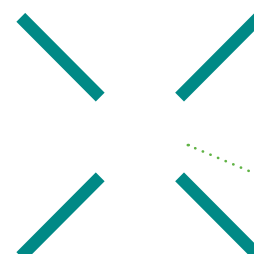
PART 1 A roadmap for our enhanced sustainability strategy

Our raison d'être: to build a purpose-driven, human and resilient future	15
1. Building a purpose-driven future	16
2. Nurturing people	20
3. Promoting positive societal impact	24

PART 2 Operational excellence is central to drive positive transformation

Sustainable investments: Apax works hand in hand with portfolio companies	32
ESG reporting to measure progress	37
Apax: Collaboration for positive change	38
In-house action: Apax walks the talk in sustainability	39
Apax Key Figures	40

The journey continues...

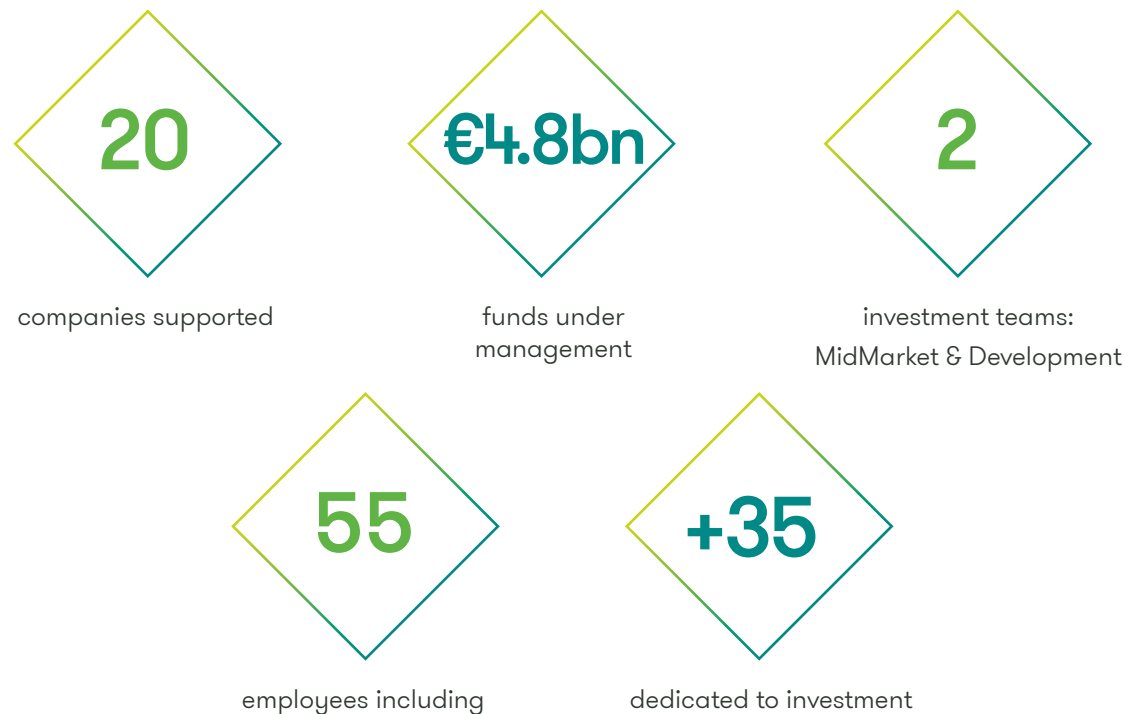


Apax is a leading private equity firm in Europe

Our mission

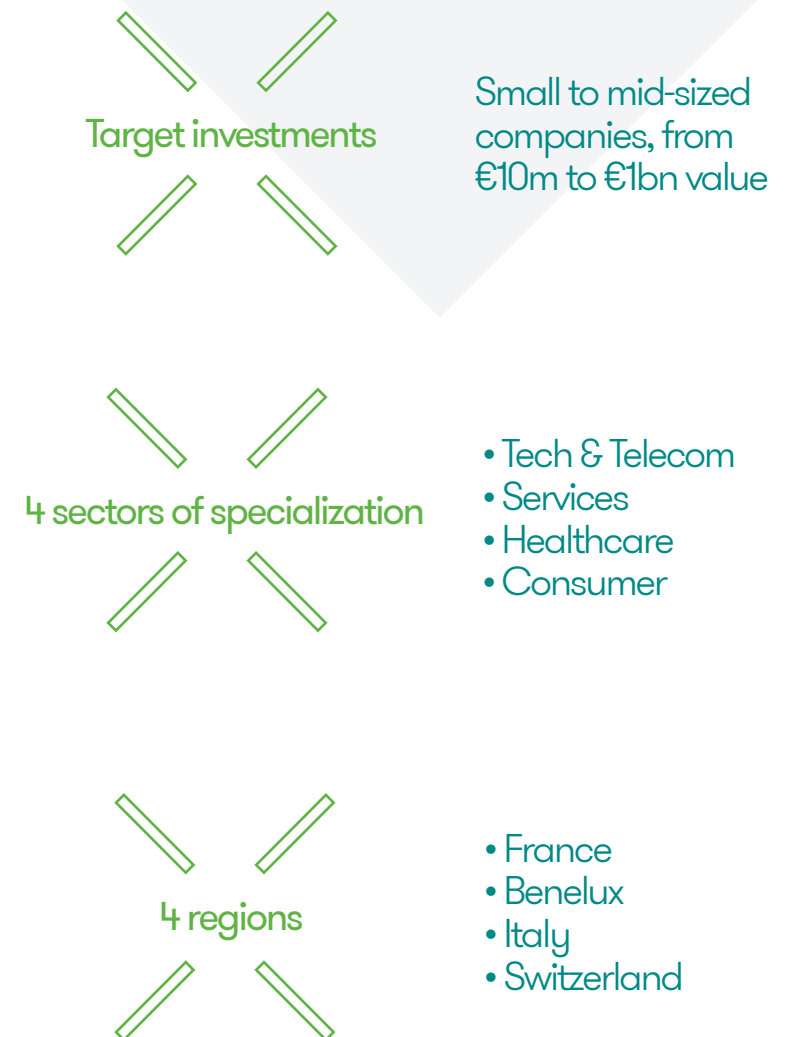
Unlock the potential of ambitious entrepreneurs, empowering them to push boundaries and achieve meaningful and long-lasting sustainable growth.

Key Performance Indicators*



*as of 31.12.2021

Our investment strategy



Apax's journey to future-proofing its investments



Our raison d'être: to build a purpose-driven, human and resilient future.

A word from Eddie Misrahi, Apax CEO



As the world shifts from post-pandemic recovery to increased economic uncertainty, new challenges emerge, from inflation and supply-chain disruptions to geopolitical tensions and rising energy prices. In such a context, environmental, social and governance issues may seem secondary – mere buzzwords that will vanish before bigger concerns.

But we strongly believe the opposite is true.

At Apax, sustainability is in our DNA. Experience has taught us that sustainability is a fundamental tool for leveraging long lasting growth,

and a key success factor for small and medium-sized companies. As frontrunners in private equity, we believe it is our role to drive the industry forward. This includes working closely with each of our portfolio companies to help them tailor their own Corporate Social Responsibility (CSR) approach in order to perfectly fit their needs and objectives.

The best way to boost the impact of our strategic positioning is to step back and gain a fresh perspective. This is even more pressing given the changes in sustainability issues in the last few years. With pressure mounting on all sides, our stakeholders – including regulators, employees, clients and investors – want to see sustainability embedded in everything we do. The welcome arrival of our new Chief Sustainability Officer, Dominica Adam,

and Gregory Salinger's appointment as Operating Partner responsible for Digital and Sustainability, have inspired us to advance our ambitions, consolidate our achievements and aim even higher, with firm resolution. All our partners and employees have also been closely involved, enabling us to draw up a plan that aligns with who we are as a company, so that each one of us feels proud to uphold our values.

So, for 2022-2027, we are moving forward with a newly defined mission: "To build a purpose-driven, human and resilient future." Based on this new corporate purpose, we have also renewed a dynamic and ambitious strategy that will direct our priorities over the coming years.

It is underpinned by three robust pillars: **"Building a purpose-driven future," "Nurturing people" and "Promoting a positive societal impact."**

And it sets us in a new direction, with new ways of working to integrate sustainability imperatives throughout the investment cycle. As it is rolled out, both our staff and our portfolio companies will receive tools and undergo training.

We are aiming high, and our employees and portfolio companies are eager and willing to take up the challenge of meeting the objectives set out in this sustainability report. We want it to generate a positive dynamic around the vital issues in which we all have a stake.

A new sustainable strategy for Apax

More than ever, sustainability has become vital, in the truest sense of the word. We see it as a foundational tool for long-term growth and a key success factor for small and mid-sized companies. From attracting talents in healthcare to reducing data-storage emissions in telecom, responsible action must be a key driver for success and value creation. Our goal in 2021 was to devise **a new strategy that sets Apax apart from its competitors and is a source of real value for our companies, inspiring all their people to get on board.**

If we want to have a real impact and create value, we must integrate sustainability at the strategy level. We made our first sustainability commitments 10 years ago when we launched our first sustainability strategy. It was time to update and rethink our approach in a world where the threats and opportunities

surrounding sustainability are increasing exponentially. And by defining our strategy, we aim to help our companies systematize their own.

Our companies need to take sustainability into account at every level, including how they develop their products and services, how they work with their employees, and how they integrate their business into the local community. **The goal is to be forward-thinking and innovative, while also listening to stakeholders – consumers, employees, shareholders and regulators.** We devised Apax’s sustainability strategy to help our companies achieve a fuller idea of how much value sustainability can bring to their business. We also want to provide a clear and inspiring framework to help them stay ahead of the game.



“The stakes related to sustainability are increasing rapidly with growing and changing demands from all stakeholders – employees, clients, investors, government. Our aim, as a private equity firm, is to help our portfolio companies further align sustainability with their overall strategy and priorities, and to implement initiatives that will allow them to create long-lasting value.”

– Gregory Salinger

Operating Partner responsible for Digital and Sustainability

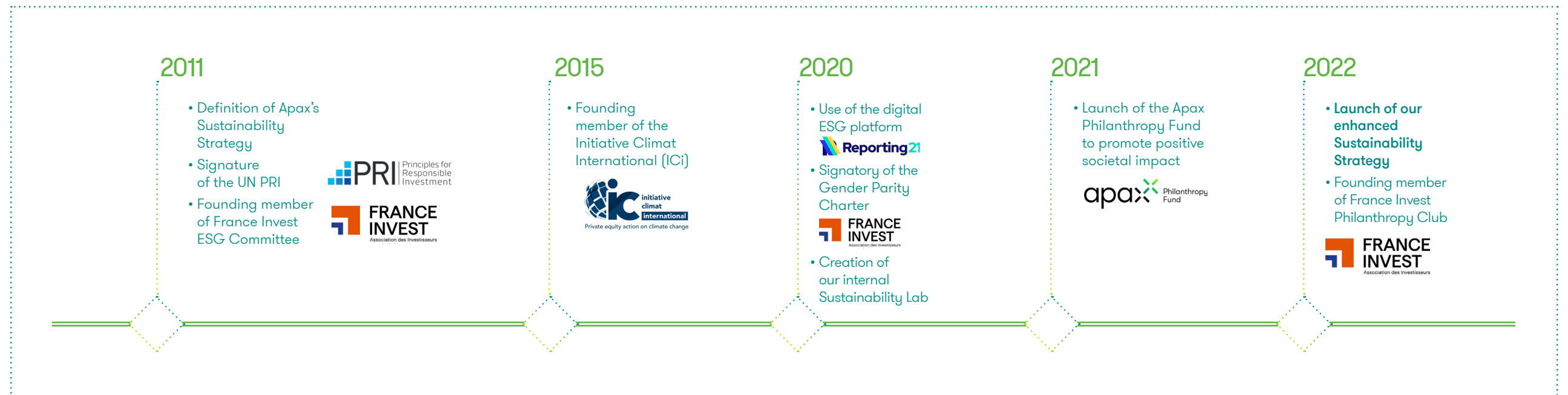


“Apax has always positioned itself as a leader and pioneer of the private equity ecosystem on sustainability. We made our first sustainability pledge as far back as 2011. Now we’re rolling out an enhanced and ambitious strategy that we believe will help transform our portfolio companies to better face future challenges.”

– Dominica Adam

Chief Sustainability Officer

Leveraging its 10 years of experience, Apax decided to revisit its sustainability strategy



Our approach: to co-develop a new strategy with all our key stakeholders

When we started planning this strategic reset, **we realized it was crucial to take a collaborative approach** – to gain real insight into what our stakeholders expect and where the industry is heading. We needed to establish our North Star, the focus that will guide Apax in all our actions to advance sustainability. Above all, we knew we needed everyone’s buy-in – from our investors, CEOs and LPs to our partners and staff.

Building a leadership strategy can’t be done without the involvement of employees at every level. **So it was essential to implement an open, participative process**, which we did with the help of PwC.



NEW STRATEGY PROCESS

Our pragmatic and tailor-made approach recognizes sustainability as a source of real value, and one that is more vital than ever.



1

PART 1

A ROADMAP FOR OUR ENHANCED SUSTAINABILITY STRATEGY

- ✕ Building a purpose-driven future
- ✕ Nurturing people
- ✕ Promoting positive societal impact



We believe companies must integrate sustainability into their business strategy if they want to remain competitive in the long term. The world is changing radically and it's up to us to do our part in this positive transformation, working in tandem with our portfolio companies.

“Building a purpose-driven future,” “Nurturing people” and “Promoting a positive societal impact” are our three core focuses for progress. Therefore, we aim to offer customized guidance to our portfolio companies to keep their business objectives aligned with their CSR objectives.

At Apax, the two must always go hand in hand, because sustainability drives value creation.

Our enhanced sustainability strategy will be rolled out between 2022 and 2027 (or during the shareholding period) and implemented systematically across all our portfolio companies, as well as Apax.

Here are our three strategic pillars for positive change, with their nine underlying commitments...

Our raison d'être: to build a purpose-driven, human and resilient future

1 Building a purpose-driven future

Building a purpose-driven future underscores the centrality of governance and leadership within a business. It is the engine that gives people the energy to work towards a shared goal.

- 1 Define a formal purpose and sustainability strategy
- 2 Set net-zero targets
- 3 Nominate independent or external Board members
- 4 Set sustainability-linked performance targets

2 Nurturing people

Nurturing people, because we want to grow businesses where employees can develop and find satisfaction and fulfilment in their work, embrace diversity as a positive asset and feel united. We believe these things are vital if we are to foster employee engagement.

- 5 Grow human capital and implement an employee-engagement tool
- 6 Define an ethical culture
- 7 Ensure 30% of seats on executive committees are held by women
- 8 Deploy profit-sharing schemes for employees

3 Promoting positive societal impact

This pillar relies on the Apax Philanthropy Fund and is a means to create positive impact by funding social causes in line with our portfolio companies' business activities. This financial support is further bolstered by volunteer initiatives undertaken by employees.

- 9 Roll out a positive measured societal program with NGOs through our Apax Philanthropy Fund

1 Building a purpose-driven future

At Apax, we view sustainability as an opportunity for value creation. It's no longer possible to consider innovation and growth independently from sustainability. We know that, to have an impact, we must lead from the top. Defining a purpose and aligning both

sustainability and business practices is an essential first step towards future-proofing companies, enabling them to stay the course over the long term. This is what makes us so keen to support our portfolio companies in their efforts to move in that direction.

To align with Apax's commitments, 100% of the companies in our portfolio as well as Apax will achieve the following 4 targets by 2027, or during the shareholding period:

1 A defined purpose and sustainability strategy

In periods of crisis and uncertainty, it becomes increasingly important for a company to define a common and clear purpose, which can guide the company while providing a sense of identity to its employees. It's the best way to create long-term value in a complex and fast-changing world. Covid has been a strong example of the power of purpose for both companies and employees.

To ensure sustainability is strategically rooted within each company we invest in, we believe it's important to start by defining a purpose. A common goal the entire business can aspire to, a North Star that can lead the way, going beyond strictly economic issues to gain a multi-stakeholder approach (employees, customers, society, the environment). This North star will guide both internal and external actions.

To support this purpose and bring it to life, it's essential to define a sustainability strategy aligned with business imperatives and driven by strong leadership. This strategy must be supported by clear actions with solid KPIs and targets that can be tracked over time. These tangible and measurable actions will contribute to making people feel the purpose is concrete.

2 A clear framework for net-zero targets

Reducing greenhouse gas (GHG) emissions and aiming toward net-zero targets is a core commitment in our sustainability strategy. **Currently, 84% of our portfolio companies are reporting on scope 1 and 2** of their GHG emissions with associated reduction plans, and **42% on scope 1, 2 and 3**¹.

We have set the following milestones, within a framework for concrete action, to help our portfolio companies reach their next targets:

- From 2022, implement systematic reporting of GHG emissions from all our portfolio companies on scope 1 and 2. From 2023 onwards, they will have to integrate scope 3. With portfolio companies measuring scope 1, 2 and 3 emissions, they will **start defining CO₂ emissions reduction plans in line with 1.5°C scenarios**.
- In 2024, verify that all our portfolio companies are **monitoring and reporting their emissions** and assist leading portfolio companies in setting and submitting intermediate (5 to 10 years) and long-term (no later than 2050) targets certified by the Science-Based Targets Initiative (SBTi).
- In 2027, **ensure that emissions reduction strategies are implemented by portfolio companies** and that portfolio companies are disclosing annual results against their science-based targets.

¹Scope 1, 2 and 3 emissions offer a way of categorizing the different kinds of carbon emissions a company creates in its own operations, and in its wider value chain:

• Scope 1 emissions: Greenhouse gas (GHG) emissions that a company makes directly (e.g., running its boilers and vehicles).

• Scope 2 emissions: Indirect emissions, like when the electricity or energy a company buys for heating and cooling buildings is being produced on its behalf.

• Scope 3 emissions: All the emissions that the organization is indirectly responsible for, up and down its value chain. For example, emissions relating to the procurement of products from suppliers, or emissions relating to the use by customers of the company's own products.



This process of carbon-footprint reduction will continue beyond 2027, with the goal of aligning with the +1.5°C scenarios.

Biodiversity is obviously a key issue that we will work closely on with our portfolio companies, as well as with our peers in the sector. It is not currently integrated as a commitment in our new strategy, partly due to the nature and size of our investments, but also because we are still missing methodological information to help put in place a sound biodiversity strategy. We started tracking biodiversity data this year in our annual ESG reporting and will continue to do so. In this reporting, 84% of companies stated their sites were not located in or near a sensitive biodiversity area.¹

3 Independent or external Board members

Apax believes that bringing independent or external views into strategic decision-making processes is essential to steer companies towards long-term value creation. We therefore recommend that **each company nominate an independent or external Board member** to guide its corporate strategy based on sound corporate governance.

To support the function of the Board, Apax also encourages the creation of specific committees on sustainability, to ensure the solid integration of sustainability in key business areas and strategic decision-making.

4 Sustainability-focused performance targets for senior management

At Apax, we believe that to help anchor sustainability within overall business practices, an important feature is **to look at remuneration and to see how it can be used as an incentive to drive positive results and actions**.

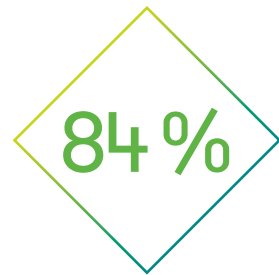
We will therefore work at integrating sustainability criteria into senior-management performance targets. This will help improve the quality of sustainability reporting on KPIs and connect actions to tangible results.

¹According to recognized European definitions of biodiversity such as Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wildlife fauna and flora.

Some 2021 KPIs² supporting our commitment to building a purpose-driven future:

Key figures

A purpose-driven future



of companies report their scope 1 & 2 CO₂ emissions



of companies report their scope 1, 2 & 3 CO₂ emissions



tons equivalent (T. eq.) CO₂ scope 1 & 2 for all portfolio companies



carbon intensity T. eq. CO₂/€M revenue scope 1 & 2 for all portfolio companies

²Source: Apax, Reporting 21

³Based on the ADEME methodology (French Agency for Ecological Transition)

Case Study

Routin: Aligning business and sustainability strategies



Since 1883, Routin has specialized in the production of flavoring syrups and beverages from the French Alps. It has always been attentive to environmental issues.

A STRONG VISION FOR SUSTAINABILITY TO ACCELERATE CHANGE

The company has implemented various sustainability initiatives to demonstrate the importance of giving back to nature and its people. It built its first Corporate Social Responsibility (CSR) plan in 2019. In 2020, turning Covid into an opportunity for reflection, the CEO, his management team and Apax took time to rethink the business and the sustainability approaches, and decided to merge them into a single strategy called “Shake Your Talents.”

This strategy covers seven themes, including environmental action, natural products, positive employment and supporting local economies. It also establishes four priority commitments for the next 3 years with quantified targets:

- ✕ Reduce carbon footprint by 20%
- ✕ Reduce water consumption by saving 5 million liters
- ✕ Provide over 5,200 hours of Drink Design training
- ✕ Increase the number of recipes with 100% natural ingredients

A key aspect of the sustainability strategy is that every year all employees benefit from CSR training.

A monthly report on these KPIs is prepared for the Management Committee and shared with the Supervisory Board. A dedicated Excom team member tracks strategic and operational progress.

In 2022, a specific CSR committee has been put in place with Board members to support and guide Routin in implementing the sustainability strategy. The company also obtained a sustainability linked loan focusing on 3 criteria aligned with the strategic targets. Finally, in september, Routin won an award for the most engaged SME on CSR by LSA de La Conso s’engage.

NEXT CHALLENGES FOR ROUTIN

A key focus remains on achieving the four identified KPIs, with special emphasis on defining targeted actions to further reduce CO₂ emissions (new carbon footprint assessment conducted in the first part of 2022) and increase natural ingredients in recipes. To support and boost these ongoing actions, Routin is also addressing the possibility of achieving B-Corp certification by the end of 2023.

2 Nurturing people

In private equity, as in every other sector, the impetus that drives a company forward is a motivated, engaged and happy workforce. And to feel engaged, people must find purpose and pride in their work. Workplace dynamics have been redefined during Covid, and new challenges are arising. It is more important than ever to work closely with employees to design future work environments that build trust, as well as individual and collective resilience and performance.

Our goal is therefore to provide the backing and support our companies need to attract and retain talent by means of forward-thinking management. We would like our companies to operate with genuine respect for their employees' well-being, while promoting diversity, inclusion and work-life balance, because the transformations they must undergo to shape sustainable value can only be achieved with a united and engaged workforce.



To align with Apax's commitments, 100% of the companies in our portfolio will achieve the following 4 targets by 2027, or during the shareholding period:

5 Grow human capital and implement an employee-engagement tool

A business can't move forward without a satisfied, committed and engaged workforce. That's why we believe it's important to reach out and understand what drives and motivates employees in their day-to-day work. Concern for their well-being is a prerequisite for impactful and effective management that can attract and retain talent.

By 2025, we want our portfolio companies to have **conducted a workplace survey that measures their employees' satisfaction and well-being**. It will be essential to ensure that, subsequent to these surveys, clear actions are identified, and results monitored over time. Apax will also encourage eligible companies to set their sights on achieving relevant certification, such as Great Place to Work, by 2027.

To support employee engagement, we also believe that it is essential to **invest in employees by providing them with relevant training, skills and career development**. Companies that do this can better adjust to the changing needs of the workforce to secure the right capabilities and talents to grow their businesses and stay competitive.

6 An ethical corporate culture

We believe it's essential for businesses to run on strong and sound ethical practices – to make sure all employees are respected within their company, but also to ensure healthy external business processes with their clients and supply chain.

We will champion the formalization of a Board-approved Code of Ethics. Incorporating training into the integration process for new employees will be encouraged, and regular training sessions will be promoted within each portfolio company. And we will focus on training for professionals exposed to ethics-related topics.

7 Executive committee members at least 30% women

Collaboration and collective intelligence create new possibilities. By supporting gender equality and diversity, we maximize everyone's potential and enable truly successful teamwork.

However, the work is only getting started. To underline our commitment, we are proud to be a signatory of France Invest's 2020 Gender Parity Charter, whose member objectives are in line with our values and commitments:

For portfolio companies:

- ✕ **30% of women holding seats on executive committees by 2030.**

8 A profit-sharing scheme for employees

Finally, we believe that an important role we can play with our portfolio companies and their teams is to **contribute to a better redistribution and sharing of value created with a larger proportion of employees**.

At Apax, we want to go beyond applicable legal regulations in terms of profit-sharing arrangements. We will work closely with our portfolio companies to identify and implement the most appropriate mechanisms to share the value created more broadly.

* Companies more than 500 employees

2021 KPIs⁵ supporting our commitment to nurturing people:

Key figures

Nurturing people

68%

of companies monitor employee satisfaction

4%

employee absenteeism

42%

of women in our portfolio companies

68%

of companies have formalized a code of conduct

25%

of women on executive bodies

⁵Source: Apax, Reporting 21

Case Study

Odigo: Employee engagement as a key driver for change



Founded in France in 1986, Odigo is one of the world's leading publishers of Contact Center as a Service (CCaaS) solutions, recognized in the industry for its innovative positioning.

REINVENTING A CSR IDENTITY

Acquired by Apax in 2020, following its sale by Capgemini, Odigo took an active role, with the support of Apax, to establish the framework of a new sustainability strategy. It started by defining its overarching purpose linked to its broader business ambition: **“Odigo reconnects organizations and customers in a sustainable way putting compassion, empathy and expertise at the heart of the relationship.”** This purpose is supported by three pillars for positive change tied to the company's values, which are:

1. **Open: Facilitate positive and impactful conversations**
2. **Committed: Be a trusted partner**
3. **Human: Give back to communities**

Human aspects are central to Odigo's sustainability strategy with a strong focus on employee engagement and training, as well as diversity and inclusion. In 2021, the firm earned Great Place to Work® certification for the first time. Certification was renewed in 2022, and Odigo was also ranked 24th on the list of France's Best Workplaces. This award recognizes the continued efforts of Odigo to build a strong employee-engagement experience:

- ✕ Share Employee Charter
- ✕ Monthly pulse surveys with employee feedback

- ✕ Develop skills through training and soft skills programs. A total of 88% of all employees received training in 2021
- ✕ Employee engagement days which allow each employee to donate half a working day to support an NGO

A new CSR and Compliance Manager was recruited and will help accelerate the implementation of the sustainability strategy. Additionally, a new CSR Committee composed of CSR ambassadors across the business will ensure transversal integration of the strategy.

THE NEXT MILESTONES

Highly committed to CSR, Odigo benefits from working closely with Apax. In 2022, the company will continue to accelerate the implementation of its strategy by:

- ✕ Increasing accessibility of its solutions for blind people and working on product innovation
- ✕ Designing and rolling out strong internal procedures on business ethics, compliance, sustainability purchasing, etc.
- ✕ Continue strengthening its employee-engagement experience
- ✕ Defining a carbon reduction action plan based on the results of the 2022 carbon assessment covering scope 1, 2 and 3
- ✕ Finalizing the NGO project to be supported by the Apax Philanthropy Fund

3 Promoting positive societal impact

9 From theory to action: rolling out the Apax Philanthropy Fund across all portfolio companies by 2027

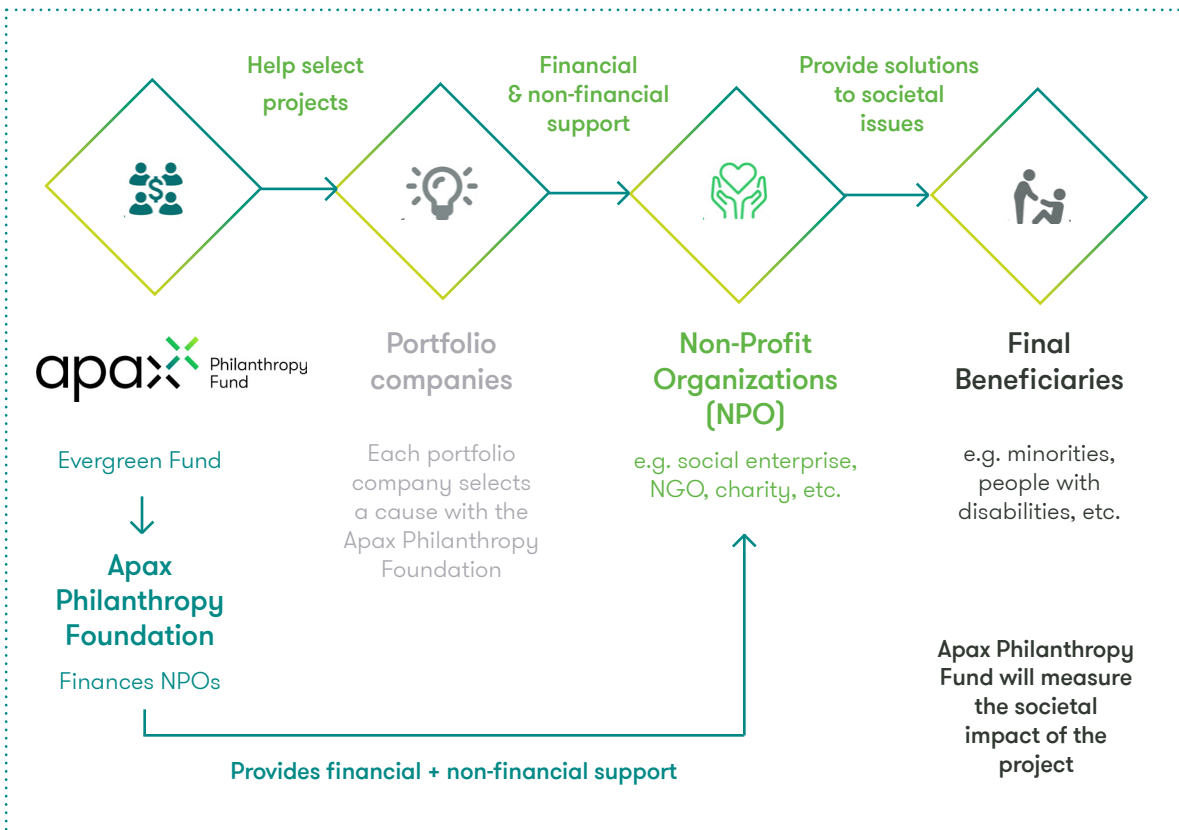


Caroline Rémus
Co-head of Apax Development and in charge of the Apax Philanthropy Fund

Dominica Adam
Chief Sustainability Officer

Interview with the Partner in charge of the Apax Philanthropy Fund, Caroline Rémus, and Chief Sustainability Officer, Dominica Adam.

MAIN STEPS OF THE APAX PHILANTHROPY FUND MECHANISM



interview

How did the idea of the Apax Philanthropy Fund come about?

Caroline Rémus: There were two questions that led to the creation of the Apax Philanthropy Fund. Firstly, how could we help our portfolio companies on this issue? And secondly, what form should Apax's commitment to social responsibility take?

The Apax Philanthropy Fund provides financial support to the NGO, while portfolio companies are encouraged to provide employee volunteers to support the project. This reinforces impact while fostering internal engagement and pride.

How does the financial mechanism of the fund work?

Caroline Rémus: The objective of the fund is to raise €20 million. The first 20% are to be donated directly to NGOs selected by Apax portfolio companies. The remaining 80% will be co-invested in all investments made by Apax's mid- and small-cap funds. The Apax Philanthropy Fund is an open-ended and evergreen fund, which provides liquidity and flexibility. 1/3 of capital gains will then be donated to NGOs. We manage this fund pro bono, which means no fees and no carried interest. Investors are entitled to tax benefits under French law, specific to FPCIs, as well as tax credits on donations.

We were convinced that good financial returns can be combined with strong societal impact.

And we believed that, to have an impact, everyone must focus on what they do best. These were the core concepts we embedded in the Apax Philanthropy Fund, which we launched at the end of 2021. The fund's main objective is to help our portfolio companies professionalize their societal giving to increase their positive societal impact.

How does the Apax Philanthropy Committee work?

Dominica Adam: The objective of the committee is to validate and follow up on the NGO projects selected by the portfolio company with the support of Apax. It is made up of Apax representatives and external independent and qualified members, who bring their external philanthropy expertise to challenge and enrich the projects, (see page 28 for committee composition). The committee is to meet at least twice a year. All support is provided pro bono.

How does the Apax Philanthropy Fund select its projects?

Dominica Adam: A careful selection process ensures that each NGO's cause is aligned with the business activities of the portfolio company supporting it, thus creating a strong link between them. To identify the projects that are most likely to interest employees, we organize workshops with company CEOs, boards of directors and CSR teams. The company chooses an NGO to support, and this choice is then sent for approval to our philanthropy committee.

Has the Apax Philanthropy Fund started funding projects?

We therefore support projects that have clearly defined outcomes to have as much impact as possible and we track their achievements over time.

Caroline Rémus: Apax has identified and is finalizing its first two tandems between Apax portfolio companies and NGOs, which have a clear link between the company's activity and the cause selected with each NGO.

Our first two tandems



Lazare

SHARED HOUSING BETWEEN HOMELESS PEOPLE AND YOUNG WORKING PROFESSIONALS TO BRING HOMELESS PEOPLE BACK INTO "NORMAL LIFE"



BTP Consultants is a specialist in the testing, inspection and certification sector, and acts as a technical referent for construction professionals, from design to renovation. It was founded in 1996, has more than 500 experts and generated €69 million in revenues in 2021, the same year Apax invested in the company.

Lazare is an NGO for social inclusion founded in 2010 which builds and renovates houses to allow homeless people and young working volunteers to live in shared accommodation in France and abroad. In 2021, 19,975 nights in the street were avoided and 255 flatshares provided.

Action supported by Apax Philanthropy Fund:

- 
Renovation of 3 houses to increase the number of homeless people going back into "normal life"
- 
Volunteering to help in the daily activities of the houses, including the flatsharing program
- 
Contribution of business expertise from BTP Consultants to secure decent housing for the homeless people.

Our first two tandems



SOLIDARITY FOR BETTER HOUSING



Graitec is a leading publisher of proprietary software solutions for Building Information Modeling (BIM) professionals. It was founded in 1986 and is active in 18 countries, with a strong presence in North America and Europe. Integrated into Apax's portfolio in 2019, Graitec has 700 experts and generated €300 million in revenues in 2021.

Habitat for Humanity is a non-profit organization that helps low-income people around the world access decent housing. Since its inception in 1976, Habitat for Humanity has helped over 39 million people build or improve their homes.

Action supported by Apax Philanthropy Fund:

- 
Support efforts to build homes for and re-house vulnerable and refugee populations
- 
Software donation to help optimize construction projects with associated training provided by Graitec employees
- 
Skill-based volunteering to help with the re-housing projects

The Apax Philanthropy Committee

4 REPRESENTATIVES OF APAX



Eddie Misrahi
(Apax CEO)



Caroline Rémus
(Partner, Co-head of Apax Development and in charge of the Apax Philanthropy Fund)



Guillaume Cousseran
(Partner, Head of Investor Relations)



Dominica Adam
(Chief Sustainability Officer)

3 EXTERNAL REPRESENTATIVES



Stéphanie Mareva Failloux

- ✕ Entrepreneur in Finance, Education, Art
- ✕ Head of the Inclusive Growth Financing Forum at B4G
- ✕ Speaker and Lecturer on Sustainable Finance at ScPo
- ✕ President and co-founder of OraNui Finance (IFA)



Grégoire Ducret

- ✕ Founder & ex-CEO, French Red Cross 21
- ✕ Director of Innovation and Transformation, French Red Cross
- ✕ Board member: La Cloche, Mouvement des entrepreneurs sociaux (Mouves)
- ✕ Startups: WNE

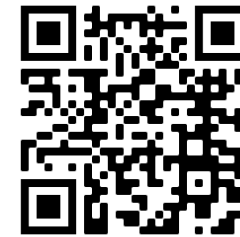


Elisabeth Elkrief

- ✕ CEO of the AlphaOmega Fondation
- ✕ Member of the Investment Committee for AlphaDiamant
- ✕ Vice President Coup de Pouce charity
- ✕ 20 years of financial expertise

1 REPRESENTATIVE OF THE FONDATION DE FRANCE SITS ON THE COMMITTEE BUT DOES NOT HAVE A VOTE

Discover the Apax Philanthropy Fund teaser



2021 KPIs supporting our commitment to promoting positive societal impact:

Key figures

Promoting positive societal impact



fundraising target



NGOs to be supported by 2025



projects validated by the Apax Philanthropy Committee

2

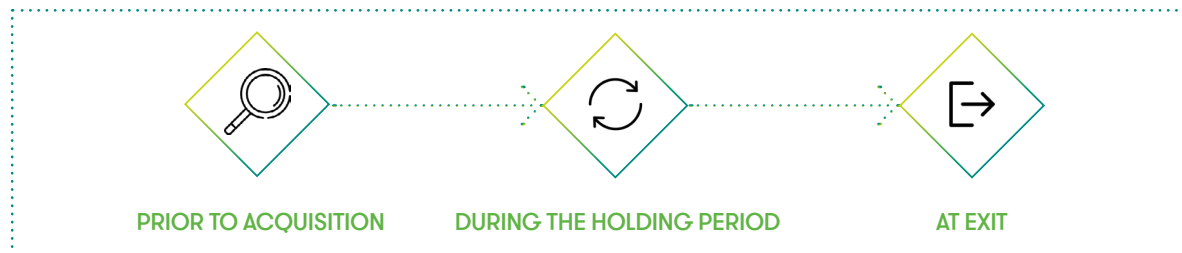
PART 2

OPERATIONAL EXCELLENCE IS CENTRAL TO DRIVE POSITIVE TRANSFORMATION

- ✘ Sustainable investments:
Apax works hand in hand
with portfolio companies
- ✘ ESG reporting to measure
progress
- ✘ Apax: Collaboration for
positive change
- ✘ In-house action:
Apax walks the talk in
sustainability
- ✘ Apax Key Figures

Sustainable investments: Apax works hand in hand with portfolio companies

A CONTRIBUTION AT EVERY STAGE OF THE INVESTMENT PROCESS



Achieving positive change in sustainability requires our attention throughout the investment cycle as a whole. To provide the best possible support to our portfolio companies for their sustainability journey, Apax has implemented a hands-on approach, with demanding procedures at every stage.

Our Chief Sustainability Officer and our Operating Partner Digital and Sustainability work hand in hand with the investment teams and portfolio companies to ensure sustainability is integrated across the entire investment process. This means all investment teams support the integration of sustainability with the investment process.

APAX FUNDS

All new Apax funds will be classified Article 8 under the Sustainable Finance Disclosure Regulation (SFDR), starting with our new fund APD II, currently being raised. Our latest fund X still falls under Article 6, as it was raised before the SFDR was finalized.

Our product Apax Private Equity Opportunity (APEO), which provides access to Private Equity through life insurance, is classified Article 8 and was awarded Label Relance certification in December 2020. This fund requires Apax to respect ESG criteria in its investment approach and to report twice a year on the progress of its ESG performance.

labelRelance 

The "Relance Label" was launched in October 2020 by the French Government to help direct investments towards French small and mid-size listed or unlisted companies to provide additional financial support after the Covid crisis (source: economie.gouv.fr).



Apax systematically takes sustainability risks and opportunities into account as part of any acquisition.⁶

- ✘ Apax applies an exclusion filter for all our investments. Our exclusion policy is published on our website.
- ✘ If we identify that **climate change is a high-impact and material topic** (e.g. physical and/or transitional risks), we will do a **specific deep dive** to ensure no risk is entailed and identify the opportunities to limit these risks and reduce GHG emissions. **We take a long-term view on our assets to ensure their sustainability.**
- ✘ For each acquisition, we conduct **internal or external ESG due diligence or red flag reports**, where we work to identify both sustainability risks and opportunities, and, when possible, discuss sustainability issues with the management team.
- ✘ **Sustainability risks and opportunities are systematically considered by the Investment Committee.**
- ✘ **A controversy check is also conducted**, integrating any possible risks linked to climate change and biodiversity, as well as any other social and environmental issues.
- ✘ Finally, **sustainability principles are integrated** into offers and shareholder agreements.

During the investment period, for each portfolio company, Apax works on aligning sustainability and business approaches to ensure sustainability criteria are central to the company's growth strategy.

⁶ In accordance with Sustainable Finance Disclosure Regulation (SFDR), Apax considers environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters (Sustainability Factors) as part of its investment processes, and has also started to monitor key Principal Adverse Impact (PAI) indicators, which it included for the first time in its 2021 annual ESG reporting (see reporting section for more information).



Apax's Chief Sustainability Officer collaborates closely with portfolio companies to define the most fitting sustainability approach in line with the new Apax Strategy.

- ✘ After acquisition, we carry out an in-depth review to **assess the main sustainability issues, which will help shape a strategy**. At this stage, the goal is not only to limit any negative impacts, but more importantly to create positive value from better addressing sustainability challenges. This process involves the CEO, senior management and the Board to secure strong senior buy-in.
- ✘ An **action plan** is then defined, which will be aligned with our nine strategic commitments, focusing on the most relevant and material actions and supported by KPIs and targets to help monitor progress over time. The approach is presented and validated by the Board.
- ✘ An **operational execution plan** also needs to be laid out by each company to support the strategy. Progress is to be shared regularly at the Excom level, with the Board and Chief Sustainability Officer. These discussions help steer the companies and provide support when needed to ensure effective implementation of the strategy.
- ✘ Portfolio companies are expected to nominate **a person in charge of sustainability**, ideally a CSR Manager to implement and oversee the sustainability strategy. Apax's Chief Sustainability Officer is tasked with supporting and providing advice to the CSR Manager and portfolio company.
- ✘ **Training** will also be provided to both Apax and portfolio companies to ensure they have the right knowledge to advance the sustainability strategy (e.g., climate change, sustainability trends, regulatory changes, social issues, etc.).
- ✘ The **Chief Sustainability Officer also leads the community of CSR experts** within the portfolio companies, inspiring with external content while also sharing best practices and creating interactions and connections amongst portfolio companies.

Integration of sustainability within Apax governance

1

Apax sustainability governance

- ✘ **Board of Directors:** composed of eight members including one woman, all of whom are shareholders. They meet at minimum once a year but generally three to four times. Sustainability is an agenda item.
- ✘ **Operational Committee:** Apax operational management body made up of senior partners and the CEO. The Committee meets monthly, as well as for ad hoc meetings. It played an active role in the development of the Apax Sustainability Strategy and is involved in all key sustainability decisions within the firm.
- ✘ **Investment Committee (IC):** Sustainability is systematically addressed in each investment committee and is a key element of the investment decision-making process. Sustainability is monitored in the overall value creation of our portfolio companies.
- ✘ **Portfolio Monitoring Committee:** follows progress across all portfolio companies on value creation initiatives including sustainability. This meeting is chaired by the operating partner in charge of digital and sustainability.
- ✘ **Sustainability Team:** two dedicated staff members ensure the day-to-day integration of sustainability with the investment process, as well as across portfolio companies.

Dominica Adam, Chief Sustainability Officer & **Gregory Salinger**, Operating Partner responsible for Digital and Sustainability



2

Apax sustainability budget

The annual sustainability budget in 2021 mainly covered consultants used for our systematic ESG due diligences and vendor due diligences, our annual ESG reporting tool and campaign, the carbon footprint of Apax and our portfolio companies, exceptionally for last year the consultancy fee for our new sustainability strategy, training and other projects. For confidentiality reasons, we do not disclose the amount spent.

3

Remuneration Approach

Apax Partners SAS remuneration policies are designed to promote sound and effective risk management and not to encourage risk-taking, including sustainability, which are inconsistent with the risk profiles of the investment funds managed by Apax Partners SAS.

4

Engagement Strategy

As described above, dialogue and engagement with portfolio companies on sustainability are a key aspect of regular interactions to help them implement impactful sustainability strategies and action plans. We have defined an Engagement Policy which covers all portfolio companies and is accessible on our website.

Apax, as Board member of all its portfolio companies, attends all the Annual General Meetings. In 2021, it voted in favor of more than 98% of the resolutions.

Progress is shared regularly with our investors:

- ✘ **Apax includes sustainability issues in the memorandum of information and management presentation.** A review illustrates the value creation opportunities that have been realized and the sustainability risks that have been reduced.
- ✘ **All investors are updated twice annually** on the sustainability performance of all the companies within the portfolio.
- ✘ A **sustainability review** is organized for each portfolio company's Board every year to present progress and outline future actions. The new sustainability strategy was presented at our latest physical annual General Meeting in May 2022.
- ✘ Each year, Apax will publish **a report on its website** outlining consolidated ESG KPIs as well as the sustainability actions of its portfolio companies.

Sustainability is integrated in the exit process through an ESG diagnosis or vendor due diligence.

- ✘ Exits are planned and implemented **in agreement with the management of companies.**
- ✘ We promote **sustainability actions** to future owners to help encourage continuity.



ESG reporting to measure progress

Measuring the scope of our actions and those of our portfolio companies is a crucial component of our ambitious sustainability strategy. In 2020, we started using a digital platform called **Reporting 21**, designed to collect, analyze and share ESG data across all portfolio companies. This data collection covers all key ESG aspects, including governance, social data, gender diversity, supply chain, environmental consumption, philanthropic donations and more.

In 2022, Apax ESG reporting covered 19 companies and 140 ESG indicators. **For the first time, we integrated Principal Adverse Impacts (PAI) indicators in our reporting.**

We are working very hard with portfolio companies to increase the quality of ESG data and reporting every year. We implement robust data quality checks, working closely with our investment teams. This year, in order to facilitate data access and availability, we designed an ESG Performance Card for each portfolio company.

To support our new sustainability strategy, reporting on our nine commitments will be essential: we will work to provide annual comprehensive data on all these elements.

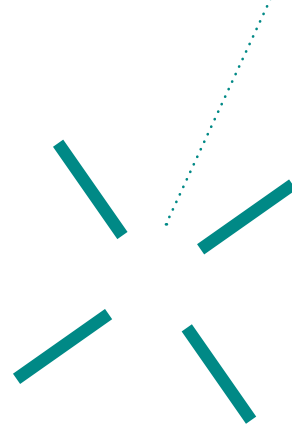
Summary table of key sustainability indicators covering all Apax portfolio companies⁷

KEY PERFORMANCE INDICATORS		UNIT	2021
Pillar I Purpose driven leadership	Companies measuring CO ₂ emissions scope 1 & 2 ⁸	%	84
	Companies measuring CO ₂ emissions scope 1, 2 & 3	%	42
	Carbon emissions scope 1 & 2 ⁸	T. eq. CO ₂	55,000
	Carbon intensity scope 1 & 2	T. eq. CO ₂ /€M revenue	22
Pillar II Nurturing people	Employee satisfaction monitored	%	68
	Employee absenteeism	%	4
	Formalized code of conduct	%	68
	Women in portfolio companies	%	42
	Women on executive bodies	%	25
Pillar III Promoting positive societal impact	Supported Apax Philanthropy Projects	%	2

⁷ AEB, BTP Consultants Bompard, Crystal, Destiny, Diapason, Efficacy, Entoria, Europe Snacks, Expereo, Graitec, Hifield, Infovista, Marlink, Mentaal Beter, Odigo, Rayonnance, Routin, Vocalcom

⁸ based on the Bilan Carbon methodology from the ADEME (French agency for ecological transition)

Apax: Collaboration for positive change



For the private equity industry as a whole

Our portfolio is not the only area in which we take action. Our ambition is to assist our entire industry to progress along a more sustainable path.

PRI Principles for Responsible Investment
As early as 2011, we made tangible commitments to this goal by signing the **Principles for Responsible Investment (PRI)**. In 2020, Apax was ranked **A+ for Strategy & Governance** and **A in Private Equity**. These ratings are a testimony to our capacity to integrate sustainability issues within our portfolio companies.

FRANCE INVEST Association des Investisseurs
Since 2011, Apax has been a member of the **Sustainability Commission of France Invest** (the professional association of GPs), which allows us to actively follow progress on key issues such as climate change, biodiversity and redistribution of shareholder value. **As a member of the steering committee of the Sustainability Commission**, we actively lead a **new working group dedicated to increasing sustainability awareness and providing training materials to private equity firms** and portfolio companies on topics such as sustainable finance regulation and climate change.

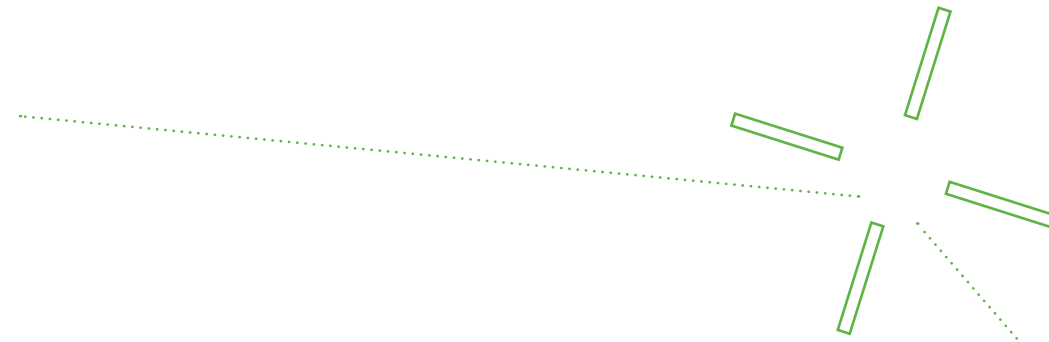
We are also involved in the new **Philanthropy Club** that launched in 2022 to help professionalize philanthropy within the industry.

And since 2020, Apax has been a proud signatory of the **France Invest Gender Parity Charter**.



Conscious of our responsibility as a management company acting on behalf of portfolio company shareholders, **in 2015, we founded Initiative Carbone 2020 (IC20)**, which is now called **Initiative Climat International (iCi)**, with four other General Partners (GPs). Its objective is to unite on climate-change issues to contribute to the COP21 objective of keeping global warming below 2°C. The initiative now counts 187 members and supports GPs and portfolio companies in defining their climate strategies.

With the profession, we therefore contribute to building tools and guidelines to help better analyze and understand climate change risks and opportunities, and we work to support portfolio companies in putting in place CO₂ emissions reduction plans.



In-house action: Apax walks the talk in sustainability

The sustainability measures that we trial in-house enable us to reflect on our own commitments and give us legitimacy in the support we provide to our portfolio companies.

The Sustainability Lab helps define the internal actions on sustainability. This initiative is sponsored by three partners, each responsible for an identified key theme: 1) diversity and inclusion, 2) environment and climate, and 3) philanthropy. This project is supervised by Apax's Operational Committee, composed of senior partners and our CEO.

In 2022, the Operational Committee validated the Sustainability Lab's roadmap with the following key actions:



Diversity & Inclusion

- ✘ Diversity and Inclusion training for all employees
- ✘ Women mentoring
- ✘ 4 additional weeks of maternity leave
- ✘ Support with childcare



Environment & Climate

- ✘ Carbon footprint assessment and associated action plan
- ✘ Climate training for all Apax employees
- ✘ Sustainable Purchasing Charter



Philanthropy

- ✘ Pro bono work for all Apax teams to make the Apax Philanthropy Fund a success

2021 KPIs⁹ supporting our commitment to our in-house sustainability approach:

Apax Key Figures

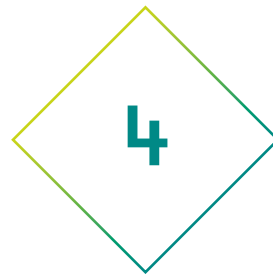
Diversity & Inclusion



of women in Apax



of women in the investment team



additional weeks of maternity leave
20 weeks in total

Environment & Climate

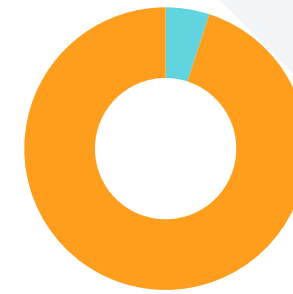


tons Eq. CO₂ emissions/€M revenue
scope 1, 2 & 3



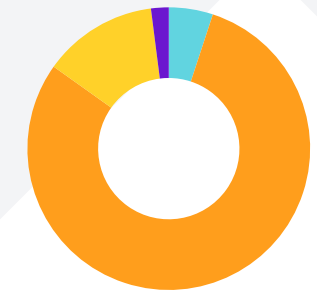
tons Eq. CO₂ emissions/employee
scope 1, 2 & 3

Detailed breakdown of Apax carbon emissions in 2021



EMISSIONS BY SCOPE

Scope 1	0 tCO ₂ e	0%
Scope 2	58 tCO ₂ e	5%
Scope 3	1,064 tCO ₂ e	95%



EMISSIONS BY CATEGORY

Building	58 tCO ₂ e	5%
External service provider	891 tCO ₂ e	79%
IT	5 tCO ₂ e	0%
Services	145 tCO ₂ e	13%
Transport	24 tCO ₂ e	2%

⁹Source: Carbometrix

**THE JOURNEY
CONTINUES...**

With a strong sustainability strategy in place, we are looking to the future with measured optimism. Sustainability now represents a challenge for every sector. **The private equity industry has a duty to evolve, to take these positive transformations into account, and to contribute to their implementation.**

A new generation of investors is looking for meaning in the companies they work with, as they are concerned about the societal challenges we are facing and the planet they will leave their children. They believe private equity has a key role to play in creating more sustainable and responsible companies. So it's crucial to combine financial performance with a social and environmental approach. And, for Apax, this is an integral part of our profession.

Objectives for concrete commitments

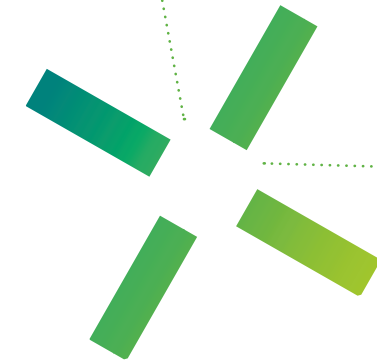
There are significant challenges ahead, and we must remain humble. Our sustainability strategy sets clear objectives for 2027: **to build a purpose-driven, human and resilient future.**

Based on our three pillars – **building a purpose-driven future, nurturing people and promoting positive societal impact** – we will ensure that all our portfolio companies are actively working on tangible and quantifiable objectives.

From carbon neutrality to gender equality, effective management to eco-responsible processes, we are establishing new internal procedures to solidify our commitments. At the same time, we're helping our portfolio companies enhance their own sustainability strategy. By working closely with them, we will optimize value creation. Our common engagement is our best asset for achieving progress in this crucial adventure.

The Apax Philanthropy Fund – a long-term action plan

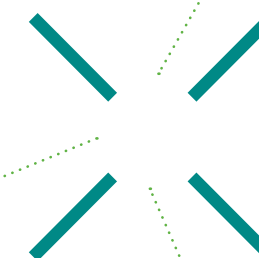
Our sustainability strategy will evolve as we learn along the way. **The Apax Philanthropy Fund symbolizes our ambition for long-term action.** Launched in 2021, it will develop year after year. The expertise of the team working on this project pro bono will help to grow this fund to increase its impact. We are determined to work together for positive change by selecting projects that benefit society and have a connection to our portfolio companies.



Sustainability is no longer an option. We need to convey this message through our actions.

General approach of the entity	Presentation of the entity's general approach to taking ESG criteria into account, particularly in its investment policy and strategy	P.14-41
	Content, frequency and means used by the entity to inform members, contributors, on the criteria related to ESG objectives considered in the investment policy and strategy	P.32-41
	List of financial products mentioned under Article 8 and Article 9 of Regulation (EU) 2019/2088	P.32
	The entity's adherence to a charter, a code, an initiative or certification on the consideration of ESG criteria, as well as a summary description of these	P.16, 21, 32, 38
Internal means to contribute to the transition	Description of the financial, human and technical resources dedicated to taking ESG criteria into account in the investment strategy in relation to the total assets managed or held by the entity	P.35
	Actions taken to strengthen the entity's internal capacities.	P.32-41
ESG governance within the financial entity	Knowledge, skills and experience of governance bodies	P.35
	Inclusion in remuneration policy of information on how this policy is tailored to incorporate sustainability risks	P.35
	Integration of ESG criteria in the internal rules of the entity's board of directors or supervisory board	P.35
Engagement strategy with issuers or manager	Scope of companies concerned by the engagement strategy	P.35
	Presentation of the voting policy	
	Assessment of the engagement strategy implemented, which may include the proportion of companies with which the entity has initiated a dialogue, the themes covered, and the actions taken to follow up this strategy	
	Report on the voting policy, on the tabling and voting of resolutions on ESG issues at general meetings	
	Investment strategy decisions, including sectoral disengagement	

Strategy for alignment with the Paris Agreement	Quantitative target by 2030, reviewed every five years until 2050	P.16
	Where the entity uses an internal methodology, elements on it to assess the alignment of the investment strategy with the Paris Agreement	
	Quantification of results using at least one indicator	
	Role and use of evaluation in investment strategy	
	Changes in investment strategy related to the Paris Agreement alignment strategy	
	Possible follow-up actions on results and changes	
	The frequency of the evaluation, the projected update dates and the relevant development factors selected	
Biodiversity alignment strategy	A measure of compliance with the objectives of the Convention on Biological Diversity adopted on June 5, 1992	P.17
	An analysis of the contribution to the reduction of the main pressures and impacts on biodiversity	
	Mention of support for a biodiversity footprint indicator	
Integration of ESG risks in risk management	Processes for identifying, assessing, prioritizing and managing risks related to the consideration of ESG criteria, and the way risks are integrated into the entity's conventional risk management framework	P.32-41
Measures for improvement	If the entity does not disclose some of the required information, it shall, where appropriate, explain why	P.17, 35, 44





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