TCFD report

June 2024

Apax Partners LLP & Apax Partners UK Limited (*Collectively* “in-scope entities”)

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Introduction

This Taskforce for 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.

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	**Mitch Truwit**
Co-CEO	**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.

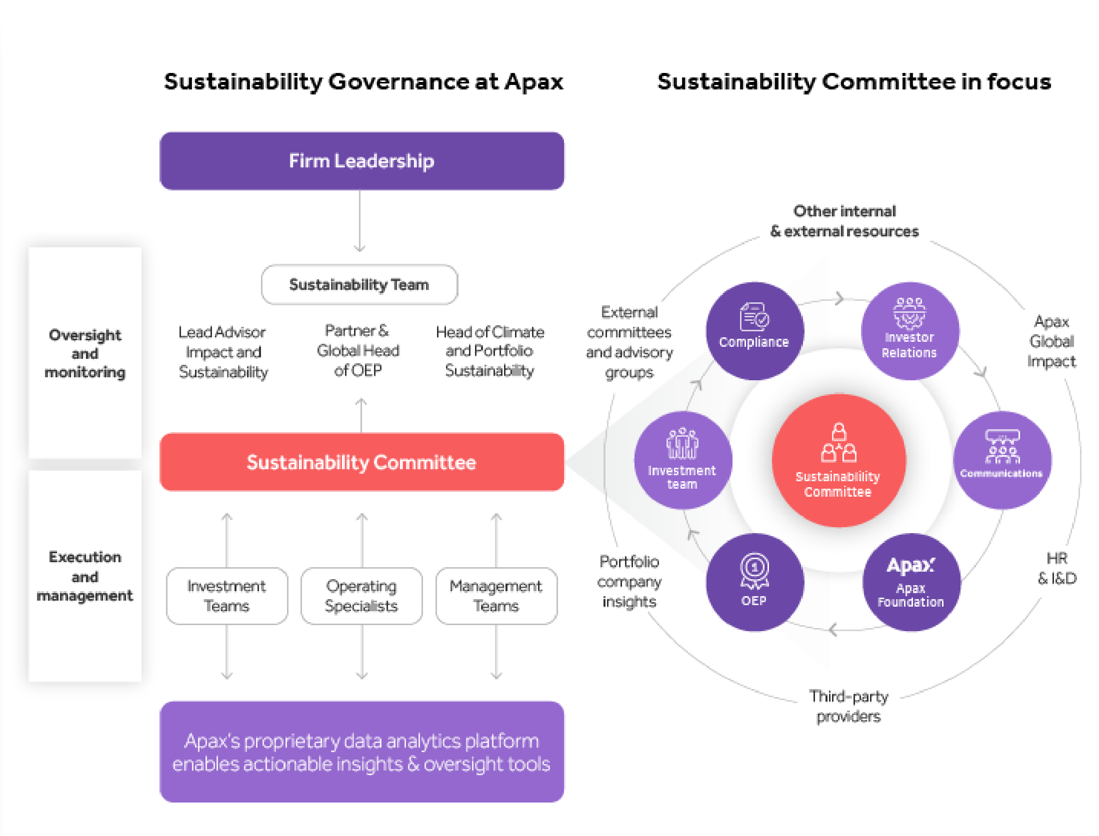
Governance

The Apax Executive Committee is the executive body accountable for the oversight of the firm's sustainability activities both for its own operations and for its portfolio engagement strategy. The Executive Committee is supported by a number of committees and individuals in overseeing and monitoring policies and procedures, and addressing issues that arise. These include the Sustainability Committee, the Compliance Officer and the Chief Operating Officer.

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

The day-to-day implementation of the firm's responsible investment and portfolio engagement strategy, including overseeing all new potential investment sustainability and risk due diligence and engaging on sustainability topics post-investment, is managed by several dedicated sustainability leads including the firm's Lead Advisor on Impact & Sustainability and Head of Climate and Portfolio Sustainability. This is overseen by the Head of the Operational Excellence Practice (OEP).

These individuals are also members of the Apax Sustainability Committee, which includes nine members from various functions within the firm. The Committee convenes monthly to review internal and external sustainability topics, including climate-related matters across the firm and portfolio. The Sustainability Committee reviews and highlights a wide range of sustainability topics over the investment lifecycle representing either a risk to portfolio companies or an opportunity for value creation. The Sustainability Committee reports regularly to the Executive Committee and escalates any material issues as necessary. Where climate-related issues are identified, the Executive Committee considers they impact the firm's overall investment strategy where relevant. Apax's annual emissions report is also presented for review to the Sustainability Committee, and the Executive Committee.



Strategy

Apax recognises that climate change is one of the most pressing issues facing society, and therefore considers climate for both its own operations and its portfolio engagement strategy.

For its own operations, Apax has been focused on measuring and managing the emissions from its business operations since 2021. The firm partnered with an external company that enables businesses to measure, report, and reduce their emissions. Apax business operations' emissions are measured in line with the GHG protocol guidelines including Scope 1, Scope 2, and Scope 3 emissions related to Employee Commuting, Remote Working and Cloud & Hosted Servers.

Apax has been carbon neutral since 2019 by purchasing high quality carbon credits to offset unavoidable firm emissions. Apax partnered with Climate Impact Partners in 2021 to support two projects – the Mycorrhizal Forestry project in Chile and the Mississippi Valley Reforestation in the US and offset its emissions going back to 2019. It is the firm's intention to remain carbon neutral going forward. Apax considers the direct impact of climate-related risks on its business operations to be limited given it is a professional services business in the advisory sector and primarily office based. Therefore, at present, while climate-related impacts are considered, they are not considered a material risk.

With regard to its portfolio engagement strategy, Apax is informed by the material issues related to the sectors in which the Apax Funds invest. Apax has taken a broad approach on sustainability matters considering many climate-related topics such as carbon emissions, energy consumption, water, waste, and environmental regulatory compliance. Currently, the firm identifies material climate-related risks and opportunities and the impact of these risks and opportunities on portfolio companies by having companies self-report on their climate-related matters through the firm's due diligence process and an annual data collection cycle. In the annual KPI survey, portfolio companies are annually asked to share information including the following climate risk related topics:

- Regulatory disclosures the company anticipates being subject to in the next two years and its actions to comply.
- The company's own process of reporting to the board on sustainability and ESG matters.
- Whether the company operates in a high climate impact sector
- Processes in place to identify environmental risks impacting the business.
- Financial impact due to low carbon environment and/or extreme weather events
- Regulatory fines or serious environmental incidents
- Whether the company assesses and manages physical risks due to climate change such as supply chain disruptions due to extreme weather events or changing agricultural conditions
- Whether the company plans for transition risks such as regulatory changes or shifts in market preferences for more sustainable products

A core component of Apax's portfolio engagement strategy is a comprehensive carbon measurement program, led by the Head of Climate and Portfolio Sustainability. The program aims to measure the Scope 1, Scope 2 and Scope 3 emissions of each new majority owned investment in the most recent Apax Buyout Funds, in accordance with the GHG Protocol. Progress on the carbon program is reported to the Executive Committee at least annually. The firm's Head of Climate plays a key role in informing Apax's approach to climate at both a firm and portfolio level (See Apax Sustainability Report for more detail).

Given that Apax does not consider climate-related impacts a material risk for the business (see above), it has not to date conducted a formal assessment to identify climate-related risks and opportunities and its related impacts to the business informed by climate-related scenarios across its investment portfolio or own operations in the short, medium, and long term. Apax has not developed a plan to transition its own operations to a low-carbon economy, but the firm remains dedicated to reducing its emissions where feasible and promoting eco-friendly practices within the organisation and will further evaluate its approach to climate scenario analysis and emissions reduction targets.

Risk Management

Apax considers the impacts of climate-related risks on its own business operations on an on-going basis and takes into account the sector in which it operates. As a professional services firm that is primarily office based, Apax does not regard climate as a material risk to the firm.

The material climate risks related to the sectors in which the Apax Funds invest inform the Apax portfolio engagement strategy. Currently, the firm identifies material climate-related risks and opportunities and the impact of these risks and opportunities on portfolio companies by having companies self-report on their climate-related matters through the firm's pre-investment due diligence process and a post-investment monitoring and engagement programme. See Strategy section for more detail.

Pre-investment due diligence and onboarding

Apax's pre-investment due diligence framework covers a wide range of sustainability areas including climate-related risks and opportunities which it believes are key to understanding the target portfolio company, with a specific focus on governance. Post-acquisition, portfolio company management are introduced to the OEP team. The relevant OEP professionals are engaged throughout the investment lifecycle to provide insight on how to address identified sustainability risks, including climate-related risks. When relevant and material, portfolio companies are equipped with a roadmap to address areas of remediation identified during due diligence. See Strategy section for more detail on the types of risks assessed and the processes in place to address these.

Post-investment monitoring and engagement

To monitor and manage portfolio company climate-related risks and opportunities following an investment, Apax relies on portfolio companies to provide Key Performance Indicator ("KPI") data. This information amplifies what is collected during the due diligence phase and enables Apax to provide expert support on focus areas. While Apax's OEP works together with portfolio companies on risk mitigation across material sustainability issues identified, ultimate responsibility for compliance and risk management lies with each portfolio company's board. See Apax's Responsible Investment Policy and Strategy section for more detail.

As mentioned above a core component of Apax's portfolio engagement strategy is a comprehensive carbon measurement program, led by the Head of Climate and Portfolio Sustainability. This program addresses the growing demands from customers, suppliers, investors, lenders, rating agencies, and regulators for comprehensive climate data disclosure. While the annual questionnaire provides a qualitative view of climate-related risks, the GHG baseline exercise equips portfolio companies with the tools to collect and report quantitative emissions data on an annual basis. This enables Apax to proactively identify high-emitting portfolio companies and pinpoint opportunities for emissions improvement. See strategy section for more detail. The Head of Climate regularly engages with management teams of the applicable portfolio companies to onboard them onto the program. Once a company's carbon footprint has been established, Apax will encourage and support portfolio companies to set carbon reduction strategies where feasible.

Monitoring existing and emerging regulatory requirements

Through its annual questionnaire, Apax monitors the funds' investment portfolio's compliance with local environmental regulations that are relevant and material to the business. Of those who responded, 100% of portfolio companies confirmed compliance with relevant local environmental regulations in FY23.

Across its own operations, Apax receives regular updates from legal advisors on existing and emerging regulatory requirements, including those related to climate. When new climate-related regulatory requirements emerge, the relevant sustainability leads within the firm will take appropriate steps to address them.

Metrics & Targets[2]

Investment portfolio

As part of its Carbon Measurement Program, Apax annually measures the Scope 1, Scope 2, and Scope 3 emissions of majority-owned companies in its most recent funds in accordance with the GHG Protocol. The program has enabled Apax to have a detailed carbon baseline in place for over 90% of its majority-owned portfolio companies in its most recent flagship funds Apax IX and X. Once a carbon baseline has been established, Apax can identify and analyse companies with high emissions intensive profiles. While Apax does not set targets on behalf of the portfolio companies, it encourages and supports the portfolio companies in setting carbon reduction strategies themselves where feasible. In 2023, 26 portfolio companies reported setting reduction targets, over three times the number in 2021.

Last years' results have highlighted electricity as the primary environmental resource across investment portfolios, followed by air travel and fuel. In 2023, nearly 50% of the portfolio reported consuming energy from renewable sources, up from 25% in 2020, and the firm expects this number to grow in the future.

Beyond emissions, Apax collects data on climate-related KPI's described within the Strategy section along with environmental metrics such as energy consumption, water use, and waste. These data points help the firm build a holistic view of portfolio companies' sustainability performance and to identify areas of materiality for Apax to support the portfolio companies to unlock value levers or mitigate risk throughout the investment life cycle. The results of the investment portfolio's historical performance in the KPIs can be found in the latest Sustainability report.

While Apax does not currently measure the extent to which its assets under management are aligned with a well below 2°C scenario, it remains committed to its focus on responsible investing. More detail can be found in the Strategy section above.

Own operations

Since 2021, Apax has been monitoring its operational greenhouse gas footprint in accordance with the GHG Protocol. As a services firm, most of Apax's Scope 1 and 2 emissions stem from running offices. In 2023, total emissions amounted to 6,933 tCO_2e, with an emissions intensity of approximately 18 tCO_2e per FTE. The firm is committed to reducing emissions, recognizing the essential role of travel in business operations. While Apax is evaluating its emissions reduction targets for 2024 onwards, the firm remains committed to maintaining its carbon-neutral status, which it has upheld since 2019.

Apax additionally monitors environmental metrics such as water usage, waste generation, and electricity consumption. More details on the firm's approach to climate opportunities and performance against targets can be found in the firm's Sustainability Report.

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[2] All KPIs collected from Apax's funds' portfolio companies are based on self-reported data provided during the firm's annual questionnaire. The total results are derived from the responses received.

Apax Operational Key Performance Indicators

KPI	2021	2022	2023
Scope 1 (mt CO_2e)	31	197	25
Scope 2 (mt CO_2e)	203	139	332
Scope 3 (mt CO_2e)	1,461	4,666	6,576
- **Business travel**	1,041	4,232	6,051
- **Employee commuting**	201	189	366.
- **Other Scope 3**	220	245	159