

An aerial photograph of a small boat on clear, turquoise water. The boat is positioned in the lower-left quadrant of the frame. The water is surrounded by a coral reef, which appears as a textured, brownish-green area. The overall scene is bright and clear, suggesting a healthy marine environment.

ENVIRONMENTAL SOCIAL & GOVERNANCE

OVERVIEW

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Front cover image:

Universidade Federal do Rio de Janeiro/AquaRio research team boat in the Abrolhos archipelago, where they are applying probiotics to save threatened coral from bleaching. Photo credit: Universidade Federal do Rio de Janeiro/AquaRio research team.

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MESSAGE FROM OUR PARTNERS

Ensuring a healthy future for our portfolio companies is at the heart of our strategic investment approach.



Advent's investment philosophy is centered around responsible investing, managing risk and creating and protecting value for our investors and our portfolio companies.

Uncovering opportunities, unlocking value, achieving sustained revenue and earnings growth, realizing potential, strong execution; these are the cornerstones of our operationally-intensive, sector-focused investment strategy.

OUR PROCESS

Advent has long implemented a rigorous, sophisticated and disciplined investment process which we believe fully leverages our sector focus, regional footprint, and operating expertise to deliver attractive absolute returns.

True partnerships with a shared sense of ownership catalyze the growth and success we create. This is why we partner with management teams to build successful companies for the future. With our portfolio companies, we build long-term value through revenue growth, profit improvement and acquisitions.

OUR INVESTMENT PHILOSOPHY

Core to our investment approach is our belief that active identification and appropriate management of Environmental, Social and Governance ("ESG") issues are fundamental to risk management, operational excellence and ultimately value creation. This is the reason elements of ESG are embedded throughout our investment process:

- Deal screening and due diligence;
- Active ownership;
- Through to exit.

Ensuring a healthy future for our portfolio companies is at the heart of our strategic investment approach, and good management of ESG issues is essential to a healthy future.

STRONG GOVERNANCE PARTNERSHIPS

We are active partners with our portfolio companies, working closely with high-quality management teams and supporting them with our operational experience, insights and deep sector knowledge.

In Advent's experience, value is created through operational expertise rather than financial engineering. Part of creating value through excellence involves managing environmental impacts, respecting communities and human capital, and enhancing corporate governance through expertise, processes and culture.

Throughout our active ownership phase, we work together to realize excellence in our portfolio companies.

OUR COMMITMENT

This ESG Overview report illustrates our commitment to integrating ESG throughout the investment process and reflects Advent's active approach to value creation.

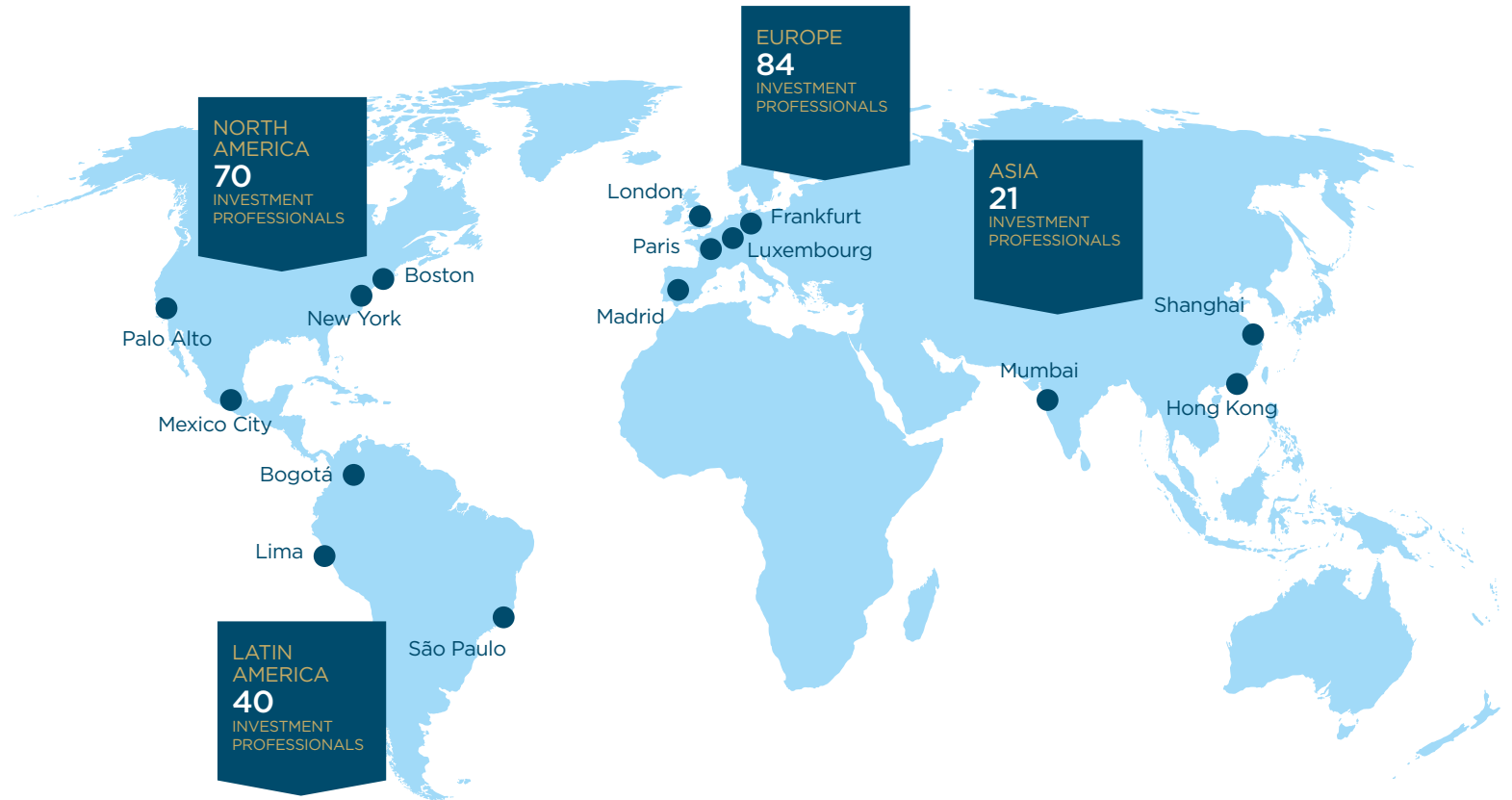
The Advent Partners

OUR GLOBAL APPROACH

Being a responsible investor means managing risk, respecting communities, transparently communicating and creating value through operational excellence.

We recognize the importance of frequent and transparent communications with our investors, our portfolio companies and our employees. This overview report is designed to provide insight into our approach to ESG and a snapshot of various innovative initiatives within our portfolio.

This enables us to see improvement opportunities, successes and best practices we can share across our portfolio and leverage as governance tools in our toolkit.



15 OFFICES
12 COUNTRIES
4 CONTINENTS

430
 EMPLOYEES

\$54bn
 ASSETS UNDER MANAGEMENT

215
 INVESTMENT PROFESSIONALS

350+
 INVESTMENTS ACROSS 41 COUNTRIES

All data as of 30 September 2019, except AUM which is as of 30 June 2019.

OUR APPROACH TO ESG IN THE INVESTMENT PROCESS

We believe that active identification and appropriate management of ESG issues are important to risk management, operational excellence and value creation.

Advent's goal with respect to ESG is to ensure that applicable issues are identified during the due diligence process before any recommendations to invest are made. Risks and opportunities are then managed during our ownership period, thereby leaving the company better positioned for an exit from an ESG perspective.



INVESTMENT SOURCING

Advent identifies, targets and sources the most compelling investment opportunities through a disciplined origination process.

We employ strict due diligence standards to ensure alignment with Advent's investment thesis, its value creation approach, and stewardship commitment for the long term. These standards incorporate sector expertise and regional perspective into the decision-making process to ensure a consistent approach.

As a responsible investor, Advent screens all new investments for potential non-financial risks in areas such as health and safety, labor relations and the supply chain. We engage with external consultants to perform an ESG screen for all investments as part of the due diligence process.

Anti-Corruption, Anti-Money Laundering ("AML"), economic sanctions, legal and insurance due diligence are also standard parts of the diligence process for all new investments. Additional environmental and social diligences are performed by external experts for specifically identified ESG issues, as applicable.

Investment decisions are made by consensus and are determined over a series of investment committee meetings where risks and opportunities are thoroughly assessed, including ESG considerations. Once an investment has been made, we work with the portfolio company to help realize value creation opportunities and successfully manage risks.

ACTIVE OWNERSHIP

At Advent, we view ourselves as good stewards of businesses who build and position companies for long-term success. We assist our portfolio companies in adopting appropriate corporate governance procedures, taking into consideration established best practices as well as local legal and regulatory requirements.

As a follow up to the ESG diligence screens, Advent conducts a post-acquisition review, to be completed once we have full access to management, with the goal of identifying company-specific risks and opportunities. We map company-specific issues against the applicable Sustainable Accounting Standards Board (SASB) materiality sector index and recommend actions, as appropriate. Advent engages third-party experts to conduct these post-acquisition reviews, with access to company documents and discussions with senior management and our deal teams. The output from these reviews informs action plans, serves as a baseline for our ESG profile, and provides material for our regular reports for Advent's limited partners.

During our ownership phase, we typically work in close partnership with our portfolio companies' management teams and sit on their boards of directors as well as on audit, compensation and other committees. We work with portfolio companies to support them in driving operational and strategic improvements, including identifying and managing environmental, health and safety risks.

Advent supports our portfolio companies' efforts to give back to the communities in which they operate, to develop their human capital, and to manage ESG opportunities and risks. We provide guidance and resources to our portfolio companies as they undertake these initiatives under our active ownership model.

ESG REPORTING

At Advent we communicate regularly with our limited partners. In addition to our annual investor meeting, we now issue a twice-yearly ESG Portfolio Company Report that summarizes updated information about key ESG topics for the portfolio companies in our four most recent funds (GPE VIII, GPE IX, Advent Tech and LAPEF VI). Our ESG Overview report serves to describe Advent's approach to ESG within the firm and with regard to our investment process. The report features selected short case studies on a variety of portfolio companies that are addressing challenging environmental, social and governance issues in interesting and meaningful ways. These case studies illustrate the range of creative approaches taken by some of our portfolio companies.

INVESTMENT REALIZATION

Advent engages external advisors, when appropriate, to perform vendor due diligence, which addresses various ESG considerations as part of the exit process. We aim to ensure a healthy future for our portfolio companies, realizing our investment value and handing on a more robust, valuable, better-managed company at the close of our investment period.



ENVIRONMENTAL: MANAGING IMPACTS

Advent partners with our portfolio companies to create companies that are better positioned for the future – including a focus on ESG management for the long term. We recognize that our portfolio companies are subject to increasingly stringent regulation with respect to their impact on air quality, water quality and availability, and waste disposal in all geographies, particularly in developing economies.

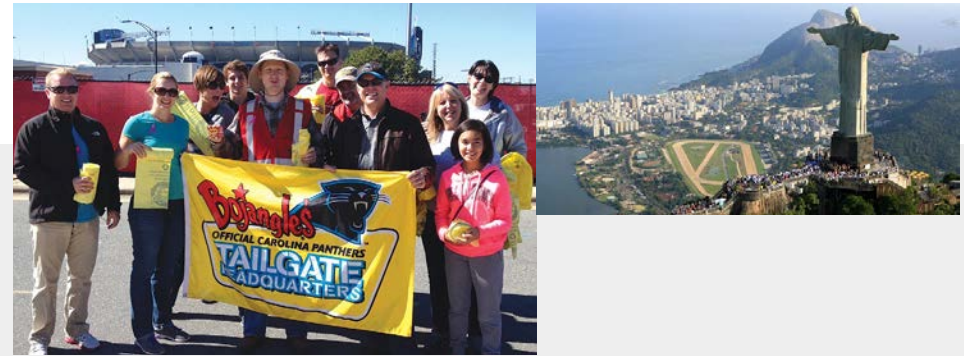
Advent portfolio companies implement innovative approaches to operational excellence, using energy efficiently and reducing consumption of natural resources, reducing costs and improving their environmental profile. Companies such as Grupo Cataratas (“Cataratas”) and Sovos Brands have developed creative solutions to protect the ecosystems where they operate. These companies and others, such as Zentiva, Bojangles’ © and Faerch, are working to recycle and reduce waste.

ENVIRONMENTAL METRICS AND GOALS

The Czech Republic-based **Zentiva**, a leading European generics pharmaceutical company, offering generic medicines across all key therapeutic areas, has developed environmental management systems (EMS) and metrics tracking programs tailored to its business structure and strategy as a standalone company.

Zentiva is initiating its own environmental program, which will reside within Zentiva’s newly established social responsibility function. In this first year as an independent company, Zentiva is setting its baseline for metrics such as water consumption, wastewater and solid waste discharges, and packaging. In keeping with their ISO certified EMS’s, Zentiva’s manufacturing sites set goals for reducing water usage in its manufacturing processes, eliminating single-use plastics, and offsetting greenhouse gas (GHG) emissions from product transport.

Additional environmentally oriented initiatives are also underway at the company. For example, the company is planting thousands of trees to offset GHG emissions and mitigate deforestation. Solar pilot programs have been initiated to explore the feasibility of further reducing the company’s GHG footprint. As Zentiva grows through acquisitions, these best practices in improving the company’s overall environmental footprint are being extended to newly acquired manufacturing sites as well.



REDUCING WASTE

Several Advent portfolio companies have pursued programs focused on reducing waste across the lifecycles of their products and promoting a healthier and more sustainable environment.

Bojangles’ © restaurants joined forces with two football teams – the NFL’s North Carolina Panthers and the University of Tennessee – to collect waste after football games. In the first season of this program, 2014-2015, Bojangles’ © collected 45.4 tons of waste. This waste was recycled and diverted from being sent to landfill. Bojangles’ © recycling program continues to partner with these teams in their program.

In partnership with the World Wide Fund for Nature, **Cataratas** created a plastic recycling program called “Remolda.” Residents of Brazilian favelas in Rio de Janeiro run the operation, using a recycling machine to transform plastic waste into miniature Christ the Redeemer statues. The recycled souvenirs are sold in the shops operated by Cataratas, with part of the revenue donated to the community. As part of a campaign to honor World Environment Day, Cataratas committed to drastically reducing its use of disposable plastics in its operations. They succeeded in reducing the volume of disposable plastic by 63%; four million disposable plastic items were replaced with biodegradable items or other alternatives. Cataratas’ main operations are now plastic free.

REDUCING WASTE *continued*

Innovative food packaging companies have started to combine recycling capabilities with the traditional objective of keeping food safe from in-transit contamination, avoiding food waste from spoilage and increasing shelf-life.

Faerch, a leading food packaging producer based in Denmark, is at the forefront of the food packaging industry with “true circularity” recycling of its rigid food packaging materials.

“True circularity” in this industry means that a product is made entirely from recycled material and is entirely recyclable itself – without needing any additional virgin material – into the same level of quality, again and again.

Unfortunately, to date, many food packaging materials consumers use every day are based on different material types or mixed with other packaging materials, hindering an efficient recycling process. As a result, packaging materials are often “downcycled” post use, i.e., recycled into lesser quality, non-food types of products. Faerch’s packaging product range is a notable exception, providing food packaging solutions which can be recycled into equivalent quality products, which provide superior barrier properties to extend shelf-life and reduce food wastage. Most importantly, Faerch ensures efficient recycling of its products through its in-house recycling operations.

For years, Faerch has been promoting sustainability, and all of our products are designed for recyclability. The acquisition of the recycling company 4PET Group in 2018 was an outstanding opportunity for us to close the loop and leapfrog in terms of sustainability. With the modern infrastructure in place at 4PET, we are able to transform used trays into raw material for new food contact products.

Lars Gade Hansen
CEO, Faerch Group

Two innovative programs recycle and reuse production waste from **Zentiva’s** operations. One program uses blister pack manufacturing waste. At the packaging facility, tablets are packaged into blister packs, using PVC backing and aluminum blisters. The machine waste from this process is collected and sent to a supplier that separates and reuses the materials. The PVC is reused as PVC raw materials input and the aluminum is used in the production of pyrotechnics.

The second program recycles rejected printed packaging materials. Rejected cartons and leaflets are sent to a supplier that shreds the material and uses it as cavity wall insulation in the building industry.

Recycling

PVC and aluminium from blister pack packaging.





CONSERVING RESOURCES – WATER MANAGEMENT

Sovos Brands, which has merged with rapidly-growing premium yoghurt producer **noosa**, creatively manages its water use. At the noosa farm, innovative practices across several parts of its production and lifecycle, maximizes its use of water withdrawals and minimizes its water consumption.”

Because noosa is not connected to a municipal water treatment plant, the company built its own water treatment facility to treat the wastewater generated from the yoghurt production plant. Part of this treated water is returned to the Poudre river, fulfilling permit requirements. The rest is used to flush the dairy barns. The runoff from flushing the dairy barns is collected, solids are filtered out, and the remaining nutrient-rich water is used to irrigate crops grown for the dairy’s cattle. Treating and reusing process water reduces the need for additional withdrawals from the municipal water supply and helps conserve local water resources. Sovos Brands’ innovative water re-use at the noosa farm is an example of sustainable water management practices. In 2017, noosa won the Colorado Environmental Leadership Award for water savings.

Award winner

In 2017 noosa won the Colorado Environmental Leadership Award for water savings.

CATARATAS CASE STUDY

Cataratas was founded in 1999 to manage and operate parks and natural attractions in Brazil. Since then the company has acquired a set of six assets that enable nearly five million visitors each year to access, enjoy and learn about Brazil's natural treasures. Cataratas is committed to responsible tourism and works with the national parks to ensure the ecosystems that are so central to these natural treasures remain protected and preserved.

Cataratas provides ticketing, transportation, parking, retail stores, food and beverage, and other services to millions of visitors at iconic natural wonders, including Iguazu National Park and the neighboring Marco das Três Fronteiras, the Fernando de Noronha archipelago, the Corcovado Christ the Redeemer statue, AquaRio and the RioZoo.



More than 340 species of birds and mammals in Brazil are threatened.

CHALLENGE

Brazil is home to some of the most biodiverse ecosystems in the world, such as the Amazon and the Atlantic Rain Forest. There is extensive public awareness of some of the threats to species and ecosystems in the Amazon. While less widely publicized, the Cataratas properties' ecosystems face similar challenges. And so, consequently, do the plant and animal species that can live only within these ecosystems. For these reasons and more, some species no longer exist in the wild; the only living specimens are found in zoos. More than 340 species of birds and mammals in Brazil are threatened.

Marine life around the world is experiencing changes in ocean temperatures and pH balances. These changes potentially threaten the ecosystems from which the fish, plants and animals come that are displayed at AquaRio. The foundation of much marine life, coral reefs are experiencing bleaching due to warmer ocean waters. Some reefs are no longer able to host the intensity of life and variety of species they once did.

Protecting biodiversity is essential to Brazil's national parks and treasures, and to Cataratas.

STRATEGY

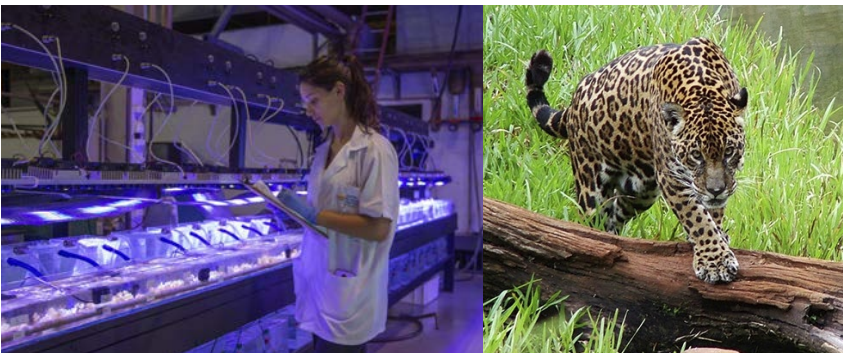
Because Cataratas' parks and attractions maintain some of these ecosystems in a protected environment – in a zoo or in an aquarium – they have become laboratories for conservation, reproduction, reintroduction and research on maintaining biodiversity.

At AquaRio, experts from all over the world come to study the variety of rare marine life and collaborate with Cataratas scientists to research marine ecosystems under various controlled conditions.

At RioZoo, research focuses on endangered land animals, such as golden lion tamarins, tapirs, alligators and the agouti, as well as birds, such as the blue macaw, the yellow chat, the jacutinga and the harpy eagle. Some projects aim to understand threatened species' reproduction and how we can best re-introduce these species into the wild ("re-wilding"). Several Cataratas researchers are pursuing an intensive program on the genetics of conservation.

With jaguars, for example, scientists believe that if they are able to map the jaguars' genetic materials and use biotechnology to breed them in the zoo, they will be able to help the population in the Cataratas do Iguazu National Park to thrive. Now they are expanding their expertise and this approach to other types of ecosystems and species.

More than 30 research collaboration projects were underway at Cataratas locations in 2018.



CATARATAS CASE STUDY

RESULTS

Jaguar populations are slowly coming back from the brink of extinction, with the help of the partnership between conservation experts and Cataratas. A new tracking app and camera traps help park rangers protect jaguars from illegal hunting in Iguazu National Park and local farmers in the Iguazu area can preserve their land.

In Fernando de Noronha, Cataratas sponsors the largest sea turtle conservation project on the planet, and the sea turtle population is now thriving.

Last year, a group of tapirs bred in the RioZoo was reintroduced in some Rio de Janeiro parks. Tapirs had been extinct in the wild in the Rio area for more than 100 years.

The jacutinga, considered to be “the gardener of the Atlantic Rain Forest,” is a bird that is being bred to be reintroduced in the Tijuca National Park, under the open arms of the Christ the Redeemer.

Another rare bird species, the harpy eagle, is extinct in the wild and Cataratas’ experts are helping to nurture them in controlled environments and planning to “re-wild” them.

Cataratas scientists are learning that damaged coral reef ecosystems may be able to be partially restored. Scientists explain that shallow-water tropical corals build the structural frameworks that support the enormous macro- and microbial biological diversity found in reef ecosystems. They have recently published research, with partners from academia and other organizations, that demonstrates using native bacteria that have proven beneficial to other organisms may be able to partially reverse the deterioration of coral due to bleaching.

In the future, investors and others may be able to come to Brazil and observe some of these activities, such as the release of animals into the wild.

With more than 90% of Brazil’s population living in urban areas, providing people access to experience nature and see wildlife is essential to raising people’s awareness and enlisting their support in protecting Brazil’s unique and fragile ecosystems.

Cataratas believes the most important thing they do is introduce nearly five million people annually to the beauty and wonder of the natural world and inspire them to help protect it.



Through transformative experiences and positive impact, we are reframing people’s relationship with nature to generate greater awareness of conservation.

Fernando Sousa
ESG Director, Grupo Cataratas



SOCIAL: RESPECTING COMMUNITIES AND HUMAN CAPITAL

Company growth and execution of the value creation plan often depend on obtaining community and stakeholder support as well as maintaining a reputation for being a partner of choice. We believe that positive employee relations and the ability to attract, retain and develop talent contribute to the future success of our portfolio companies. As transparency and global communications have increased, community relations and employment conditions for local workforces have increasingly become an area of focus.

COMMUNITY OUTREACH

Culligan International partners with the American Diabetes Association (ADA) to promote hydration and education about the importance of clean water at the ADA's Tour de Cure cycling events.

The Culligan Cares Committee continues the company's existing philanthropic practices and explores partnerships to promote access to clean water. In addition, Culligan created an interactive website to strengthen communication between stakeholders and the company and publicize the company's activities. Culligan Cares partners with the Water Well Trust a non-profit organization that dig wells for U.S. families living without easy access to safe potable water.

Rapidly expanding post-acute healthcare services company **AccentCare®** is piloting an extensive community engagement program this year. Inspired by the positive community impact achieved by their recent acquisition, Accolade, AccentCare launched a series of employee-driven community efforts last year. While AccentCare has always been committed to taking care of employees, patients and their local community, there is new energy behind emulating Accolade's employee-driven small-scale community engagement efforts.

600 backpacks

Fourteen AccentCare locations provided children 600 backpacks with school supplies.



The success of these recent efforts has fueled employee engagement and satisfaction at a company dedicated to caring for those struggling in its communities. While certain elements of the core patient- and employee-support programs may be the same across the 16 states where AccentCare operates, it is fundamental to their community outreach to identify the needs in a small local community and respond, rather than implement a top-down program designed at corporate headquarters.

At AccentCare subsidiary Texas Home Health, employees recognized that when school gets out for the summer, many families struggle to provide three meals a day for their children. Fifteen AccentCare locations in Texas participated in a Summer Food Drive, far exceeding their initial goal and collecting more than 3,000 lbs. of food for local families. Some local AccentCare employee groups focus on meeting other needs of struggling children and families. Fourteen AccentCare locations provided children 600 backpacks with school supplies so they could be ready for school in September. Some AccentCare employees now carry one of the 570 "care kits" for the homeless - Ziplock® bags with toothbrush, toothpaste and other daily items - they can simply hand to people when they encounter someone in need.

Employee-driven initiatives in AccentCare's pilot community engagement programs also include scholarship funds for nursing and therapy students, including children and grandchildren of employees, and engaging with veterans and their families in all hospice offices including the under-construction Killeen, Texas location.

AccentCare also raises money to provide meaningful help for patients and employees. The AccentCare Hospice Foundation helps to cover such expenses as flying a family member to see a loved one before that person passes away; The AccentCare Employee Assistance Fund helps employees who suffer disaster beyond their control, such as providing financial assistance in rebuilding after a house fire.

Based on lessons learned through the pilot phase, AccentCare plans to encourage all its local operations to identify and address needs in their communities to build even greater cohesion around the fundamental message that AccentCare people care about people.

AccentCare's business and its employee base both focus on being helpful to others in need and their community engagement efforts are an extension of this focus.

KEEPING WORKERS SAFE

Keeping employees safe and reducing workplace accident rates is a priority for Advent portfolio companies. Companies like Ammeraal Beltech (Ammeraal), allnex and Viakem have reduced their OSHA incident rates far below the average incident rate in their industries and are sharing best practices.

Ammeraal's increased safety awareness program has led, since early 2016, to a tripling of the reporting of near-misses, and the number of accidents resulting in hospitalization has dropped by one-third. Work areas were noticeably more organized, and property insurance premiums at three key locations have decreased by 11% since 2016. Ammeraal's executives looked to adopt safety strategies from other Advent portfolio companies that faced similar challenges. For example, they have studied how others dealt with hydraulic machinery using hot oil.

In addition, specialty chemicals manufacturer **allnex** has reduced its OSHA incident rates to below 25% of the chemicals industry average. Around the world, allnex applies a systematic, proactive process hazard assessment methodology to its plants. Every location has a scorecard that measures key leading and lagging environmental and safety performance indicators. The timely execution of improvement action items is tracked regularly.

Viakem, a specialty chemicals manufacturer in Mexico, takes safety and incident prevention seriously, both within the company and in the

local community. Viakem embarked on an intensive Total Quality Control (TQC) program which has led to greater employee engagement and a steady annual reduction in its OSHA incident rates. With the recently introduced SafeStart® program, company culture is shifting to observe potentially unsafe conditions and 'near misses' when an accident could have occurred and to recognizing common contributors to safety incidents such as fatigue. Safety observations help everyone address prevention and precursor conditions before accidents occur. These observations increased 25% in 2018 while the company's OSHA incident rate remained below 1.0 for three consecutive years.

On a larger scale, 20 years ago, Viakem helped found a committee in the state of Nuevo Leon to focus on local emergency planning. Currently, representatives from 27 companies across the region, representing industries such as chemicals, metal working, recycling, plastics and paints come together to coordinate prevention of and planning recovery from various emergency and disaster scenarios.

below 1.0

Viakem's OSHA incident rate remained below 1.0 for three consecutive years.



ACCESS TO HEALTHCARE

Zentiva, a leading generic pharmaceuticals company based in the Czech Republic, is helping to shape the European generic pharmaceuticals industry through its participation in Medicines for Europe (MfE).

Zentiva's CEO was recently named to the MfE executive leadership team, which is working to provide high-quality cost-competitive medicines to millions of patients in Europe and around the world.

Zentiva is actively working with a variety of initiatives and programs in the industry to help develop the next generation of scientists in biopharmaceuticals and promote access to medicines.

In 2014, Zentiva initiated a pharmaceutical cluster between industry and leading academic programs aimed at accelerating the careers of graduate students in critical steps of drug products development in solid-state chemistry, drug design and process development, pharma technology, biopharmacy and preclinical in-vivo testing, and clinical research. In honor of the program's 5th anniversary, the Pharmaceutical Applied Research Center (Parc) announced a Parc Awards program this year, which recognizes promising young scientists.



My PhD experience at Zentiva was a great opportunity to combine academic and industry training. This experience opened the pharmaceutical world for me. I am happy to say that our collaboration with Zentiva is as active and productive as ever.

Eliska Skorepov

Head of Single-Crystal Diffraction Laboratory, Institute of Physics of the Czech Academy of Sciences

The Parc brings three leading Czech universities together with the company to facilitate PhD students' work experience and the opportunity to be mentored by some of the leading academic scientists in Central Europe.

The Parc also collaborates with other leading European universities, including Dublin, Copenhagen, Helsinki and London among others. Over the last five years, eight students have completed their 4-year PhD programs in part through their work experience at the Parc. Four of these Parc participants have joined Zentiva's Development Center. There are currently 25 PhD students participating in the Parc program.

Parc represents a unique research platform connecting the whole process of drug product development. Some of the products our students worked on already help to cure patients throughout Europe.

Pavel Sebek

Head of Development, Zentiva

Zentiva is part of an industry-academia research consortium, Open Research Biopharmaceutical Internship Support (ORBIS).

ORBIS links students from four European universities, Rutgers University in the U.S., Instytut Farmaceutyczny in Poland, and four other European pharmaceutical companies, including Zentiva. This collaborative consortium supports the exchange of young researchers between academic and industrial sectors, accelerates professional development and facilitates breakthroughs, discoveries and world-firsts by taking great ideas from the lab to the market.

As part of ORBIS, Zentiva is proud to be recognized for its scientists' expertise, active approach to problem solving, and enthusiasm for the drug product development process.

8 students

have completed their 4-year PhD programs over the last five years.



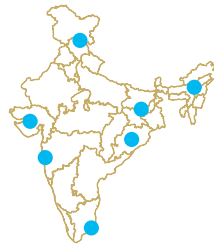
CROMPTON CASE STUDY

For more than 70 years Crompton Greaves (Crompton) has been a leading Indian manufacturer and marketer of a wide spectrum of consumer products. Because Crompton manufactures consumer electrical and water appliances which require maintenance and repair over their lifetimes, the company saw an opportunity to provide valuable skills training. Due to water scarcity issues near their locations, Crompton also wanted to help the local populations learn more about how to collect, conserve and best use water.

Since its initiation in 2017, of Crompton's Corporate Social Responsibility (CSR) program has built initiatives around four central objectives:

- Vocational and skills training;
- Water and waste management;
- Positively impacting the lives of those who live near their processing facilities;
- Employee engagement in volunteering in CSR activities.

Crompton has pursued these objectives over the last two years in association with several key implementation partner organizations. Crompton's CSR Committee has been tracking the success of the employment skills programs primarily by measuring the number of people who secure gainful employment after completing the Crompton program. They track the success of the water and waste management programs by the number of people and places who have been introduced to best practices through these programs.



Crompton's programs have now trained more than 1,200 people in the seven skill development centres across India.

JOB TRAINING AND SKILLS DEVELOPMENT

The company has established seven Skill Development Centers in the Indian states of Himachal Pradesh, Gujarat, Maharashtra, Tamil Nadu, Odisha, Jharkhand and Assam. These programs have been strategically developed along with three of Crompton's major skill development partners.

Each center focuses on slightly different populations and training programs. Trainees are exposed to structured curricula on industry practices, safety, measurement, electric appliance repair, plumbing, and pipe fitting. Many Crompton employees volunteer as trainers at these centers.

The number of people trained has increased many-fold since the first 40-50 trainees entered the program in September 2017. Together, Crompton's programs have now trained more than 1,200 people, approximately 900 of whom have found employment as a result.

Since its initiation, the Residential Multi-skill Training program has sponsored 30 training sessions for 900 youth at its centers across India. 80% of these trainees subsequently found employment with established local companies.

Another of its programs, located in three centers, is focused on underprivileged youth from tribal communities. This program has trained 117 candidates in installing fire protection equipment and plumbing. 83% of program graduates found employment after completing the curriculum.

A third program, based in Maharashtra, has trained 108 youths from challenging circumstances in home appliance repair, as well as coping skills and positive self-development.



CROMPTON CASE STUDY



TEACHING GOOD WATER MANAGEMENT

Recognizing increasing water scarcity, another of Crompton's programs educates people about water resources, rainwater harvesting and good water management. Nineteen sessions were held at more than 10 locations, including schools, villages, a medical college and community centers, which altogether reached more than 2,300 people.

The sessions talked about rainwater harvesting practices at the household and community levels:

Household level: Solutions for residential buildings, collection and reuse of wastewater, need for conservation, understanding the relationship between topography and water scarcity.

Community level: Solutions for public buildings such as schools, community halls, office buildings, increasing awareness through street play and community action.

Schools and children were the primary recipients of these educational programs. Awareness sessions related to water needs and best practices were carried out in Delhi and Himchal Pradesh. The objective was to galvanize support for the community initiatives and environmental studies in the school.

The second major group of participants were community leaders and decision makers who supported the partnering organizations in implementing rainwater harvesting systems in the communities. The rainwater harvesting systems now collect water from all the possible

catchment areas of the buildings, i.e. roof, pathways and courtyards. This water is then collected in filtration tanks and either used by the building or collected in percolation tanks to increase the ground water recharge.

Crompton also sponsors watershed development activities aimed at increasing the groundwater level and stabilizing the water table. In agricultural settings, secure access to water means increased employment on farms. To increase water conversation in the rural regions, watershed development is the key focus of Crompton-sponsored agricultural water programs.

Watershed development activities included constructing embankments, reviving springs and wells, developing nullahs, preventing soil erosion through tree planting, and enhancing percolation of water. Crompton also supported refurbishing existing wells and monitoring dams to ensure efficient water conservation. Six hundred eight landholdings and families in the region benefitted from Crompton's watershed efforts for the FY 18-19. This year Crompton aims to bring these initiatives to five more villages and promote sustainable solutions for the communities.

To further promote water resource management, Crompton contributes resources to a program led by the Government of Maharashtra which aims to remove silt from water bodies in drought prone areas.

In addition to producing cleaner water, this program will provide silt to area farmers, which should lead to increased agricultural production.

Finally, in the aftermath of the devastating floods in the state of Kerala in 2018, the company contributed approximately \$142,000 to the Kerala Chief Minister's Disaster Relief Fund victims' recovery, of which one third was donated by employees.

Moving forward, Crompton plans to maintain and expand its existing programs in skills training and water conservation and improve its tracking of programs, successes, and impact analyses. Crompton will continue to report on the evolution of its programs and impacts in its CSR Report, published for the first time this year at the close of the company's fiscal year on March 31, 2019.



FIRST WATCH CASE STUDY



First Watch Restaurants, Inc., a large and fast-growing daytime-only restaurant concept in the U.S. with more than 275 restaurants in 26 states. The company was founded 30 years ago in Pacific Grove, CA, and has won many customer, industry and local awards for best breakfast, most innovative menu, best healthy restaurant, best family restaurant, and others.

The focus on fresh ingredients is essential to First Watch, as is its commitment to providing a homey, relaxing experience for its customers with each person's very own pot of freshly brewed Project Sunrise Coffee, free newspapers, free WiFi and the ability to tailor each meal to the customer's preferences. It's all part of First Watch's You First™ service philosophy - doing whatever it takes to make customers' visits memorable and to keep them coming back for more.

There's growing evidence that consumers look for companies that integrate social and environmental factors into their business plan, and the way we look at it is, it's just good business to do those things.

Chris Tomasso
CEO, First Watch



First Watch contributes 25 cents from every kid's meal sold at every First Watch restaurant to Share Our Strength's No Kid Hungry campaign, year-round.

CHALLENGE

In keeping with its mission statement, First Watch partners with organizations and harnesses its normal business and purchasing practices to benefit quality suppliers investing in their own communities.

In 2017, First Watch partnered with an organization called Mujeres en Café - Women in Coffee - to create Project Sunrise, the new First Watch branded coffee. Coffee is the number one product at First Watch and is key to the restaurants' image, brand and customer loyalty.

Corporate Chef Shane Schaibly and VP of Marketing Cari Trimyer traveled to the renowned coffee region of Huila, Colombia to explore creating a new coffee blend for First Watch. Together with their partners at Royal Cup Coffee Roasters, the First Watch team found the Mujeres en Café organization in Huila and the balanced, flavorful coffee beans they produce.

Mujeres en Café is a Colombian association of female coffee growers established to help women navigate the coffee business in a traditionally male dominated society and industry. Many families lost husbands, fathers, brothers and sons during the civil conflict in Colombia over the previous decades. Without male heads of household, these women struggled to continue their family farms and raise their children. Through Mujeres en Café, these women are now collectively becoming a stronger force in the local market, improving their ability to negotiate compensation, and increasing the productivity of their farms and quality of their coffees.

FIRST WATCH CASE STUDY

With Royal Cup's coffee tasters, the First Watch team created a unique blend of coffee that would be consistent at every First Watch restaurant across the U.S. First Watch made a multi-year commitment to source 100% of its coffee from Huila, Colombia to consistently produce this perfect blend: this is Project Sunrise.

STRATEGY - PROJECT SUNRISE

Project Sunrise pays a small premium for the coffee grown on women-owned farms and they pay bonuses to the female farmers whose coffee beans exceed a specified quality threshold.

The Project Sunrise program and multi-year commitment with First Watch provides these women with income security and enables them to invest in their farms – buying drying houses or better transportation – to make the farms more productive for the long term.

The women in these communities also support their local schools with the money they earn from coffee farming. For various reasons, funding for schools in Huila has been poor, inconsistent, and often unavailable. The coffee farmers send their children and grandchildren to these schools and invest in improving their education. Before Project Sunrise, the San Adolfo school did not even have a calculator or a printer.

For us, it's the bridge we need to be able to start from the beginning, because what we are doing is starting. We are taking off from the ground and we want to continue to rise.

Deryi
Coffee Farmer

RESULTS

In 2018, Shane and Cari returned to Colombia to check in with the farmers in person. They wanted to ensure the program was working well for all involved – the farmers, Royal Cup, and First Watch – and make any needed improvements. They were able to see firsthand the impact the program was having after just one year.

The women were able to invest in improvements in their farming operations due to the small premiums they were paid through the Project Sunrise multi-year program. Those farmers whose beans earned the extra quality bonus through Royal Cup's quality standards and source tracking program received bonus checks directly from Cari and Shane. In addition, the First Watch team brought a computer and printer to the San Adolfo school as a donation for the local children.

First Watch's commitment to the relationship with the people of this region and to using their clout as a buyer to improve the lives of the farmers they buy from makes a big impression on the women coffee farmers. They truly appreciate the in-person visits and the personal attention to the things that help the growers achieve their overall goals – such as providing education for their children.

Advent is proud to partner with a company with such a mission to use their power as a business to promote excellent high-quality coffee, support efforts of women farmers to grow and improve, and invest in the community's future.

Visit First Watch's website to see videos profiling some of the women farmers participating in Project Sunrise.

Our performance and our financial success really is just an outcome of our focus on our mission and our values, and this program is a part of that.

Chris Tomasso,
CEO, First Watch





GOVERNANCE: ENHANCEMENT THROUGH EXPERTISE, PROCESSES AND CULTURE

Advent believes that strong corporate governance is essential to the financial integrity and success of our portfolio companies. We understand how important it is for our portfolio companies to operate in accordance with not only legal and regulatory requirements but also ethical business practices.

During due diligence on investment opportunities, we evaluate the governance practices of potential targets and review with prospective management teams their capabilities to appropriately manage risk.

After making an investment we work with our portfolio companies to help them review and evaluate their corporate governance, regulatory compliance and risk management capabilities. All our portfolio companies are required to have boards of directors and to have anti-corruption policies and programs. We offer our portfolio companies support to implement best practices in corporate governance as well as in non-financial areas during our ownership period.

Advent focuses on ensuring that our portfolio companies incorporate best practices with regard to risk management and governance, while meeting the highest performance standards. Ocesa, INNIO, YDUQS and Röhm GmbH provide good examples of governance best practices within the Advent portfolio.

It is easy to write a check – but, in order to be self-sustaining, a meaningful CSR effort has to be something people care about and it needs to tie to the business.

Shantanu Khosla

Managing Director, Crompton Greaves Consumer Electrical Ltd

MANAGING RISK

Ocesa manages Colombia's largest crude oil pipeline, a critical strategic asset handling about 60% of domestic crude production and more than 70% of crude exports.

The pipeline spans 830 kilometers between Colombia's Llanos region and the Atlantic Coast and constitutes the backbone of the country's oil transport system.

Ocesa created a comprehensive framework for thinking through all the potential ethical and compliance risks that could arise across its operations – covering everything from bribery and fraud to oil spills and other health, safety and environmental hazards. Given its vital role in safeguarding Colombia's oil flows, Ocesa needs to ensure that its suppliers and vendors match its own policies, including vigilance in vetting and supervising their employees. The company now undertakes stronger due-diligence, and its contracts with suppliers require compliance with Ocesa's policies.



MANAGING SECURITY

Advent recently acquired **INNIO**, a former GE business that is a leading provider of gas engines, power equipment, a digital platform and related services for power generation and gas compression at or near the point of use. Under the INNIO umbrella, the Waukesha and Jenbacher businesses serve their segments and customers around the world.

At their 42-acre headquarters site in Jenbach, Austria, INNIO has long recognized the importance of safety and security on their large headquarters site, where manufacturing takes place and where suppliers and logistics trucks are on site every day.

In addition to the more than 1,600 INNIO employees at headquarters, approximately 500 trucks come through the location every week and approximately 40,000 individuals visit each year. Many visitors are on site several times a year; so there are approximately 130,000 visits annually.

Disheartened by the wastefulness and ineffectiveness of paper safety and security brochures used in the past, INNIO decided to do something different. They were determined to create a next generation visitor entry protocol. Together with an IT company, INNIO engineers developed an effective and secure, electronic check-in system.

When visitors check in at INNIO's headquarters, they must participate in an interactive safety and security training and successfully complete a quiz before they are issued a photo ID visitor's badge. Because INNIO's visitors come from all over the world, this training is available in 11 languages. The photo ID badges include a barcode, which enables the company to check the status of each visitor and to check-in for revisits within seconds.

INNIO's system is now a model admired by vendors, customers and peer companies alike. With the check-in system, INNIO Jenbacher has saved countless hours and tons of paper by evolving past ineffective paper safety brochures and allowing frequent visitors easy repeat access.



The photo ID badges include a barcode, which enables the company to check the status of each visitor.



MANAGING SUSTAINABILITY /CSR PROGRAMS

YDUQS (formerly known as Estácio), one of the largest private educational institutions in Brazil, has developed a comprehensive sustainability management program and extensive stakeholder engagement.

YDUQS was recognized as the best education company in Brazil in 2018, scoring highest in the categories of financial performance, corporate governance, innovation, people, sustainability and vision of the future. With more than 500,000 mainly middle- and lower middle-class students enrolled annually, roughly 40% of whom are online students, YDUQS is making educational advancement possible for many across Brazil who would not otherwise be able to continue their education.

YDUQS's CSR Policy establishes guidelines and priorities for the vast number of community engagement projects it will support. These efforts focus on five pillars: sport, education, culture, innovation and entrepreneurship, and citizenship. This last pillar focuses on working with NGOs, seeking to generate positive impact and contribute to the development of communities surrounding their units.

In 2018, more than 112,000 students and 7,300 employees participated in the company's broad variety of volunteer activities, and an estimated 3.3 million people benefitted. Some of these efforts included programs aimed at alleviating hunger, providing dental care, engaging older people in healthy activities, and working with disabled people.

Youth and adults learn to read, write and solve mathematical problems through YDUQS's new, 140-hour, hybrid (face-to-face and mobile learning) youth and adult literacy program. At four locations in Rio de Janeiro, one in São Paulo, one in Brasília and one in Rio Grande do Norte with classes of 24 students each, early reports indicate this program is very effective and the company is looking forward to expanding it in the coming years.

Five hundred youth athletes are provided support and flexibility in their studies so they can train and compete – and still finish their education. Having this support enables track stars, gymnasts, swimmers, and many other athletes to have good qualifications and job prospects once their competition days are over. Working each year to continuously improve these activities and their positive impact reinforces the YDUQS brand, increases employee retention and improves community relations.



Communication and transparency are essential to YDUQS's corporate strategy. The company takes corporate citizenship (ESG) seriously and has been committed to publishing annual Global Reporting Initiative (GRI) based sustainability reports for six years.

YDUQS follows many corporate best practices including having a Code of Ethics and Conduct, independent board members, specific committees and/or individuals accountable for topics including labor relations, student loyalty, teaching model, organizational atmosphere, pricing and collection, risks and labor management. Since 2016 the company has established compliance practices, and corruption-related risk assessments.

The company tracks and is able to leverage data about its own workforce composition, corporate structure, turnover, training programs, safety and health, and more. The YDUQS Sustainability Report communicates its environmental, social, governance and financial performance. Recognizing the relationship between stakeholder communication and sustainability performance, YDUQS has a Vice President of Institutional Relations and Sustainability to ensure the company's efforts continue to address stakeholder priorities.

RÖHM CASE STUDY

Röhm GmbH was an integral part of German chemicals company Evonik Industries AG until Advent's investment in July 2019. Advent's expertise in the chemicals sector meant we were uniquely positioned to understand the complexity of the handling requirements and risk management techniques needed for even the most sensitive of Röhm's products. Our deep industry knowledge and diligence process allowed us to get comfortable with Röhm's best-in-class risk management processes, an example of which is described below; and, our previous experience with Evonik and our strong track record in other chemical investments gave the seller confidence in Advent as a responsible owner.

Founded 112 years ago, the company has evolved from leather goods to chemicals and invented the novel acrylic glass (polymethyl methacrylate (PMMA)), which later became known around the world under the brand name Plexiglas®. Through its long history in the chemicals industry, Röhm has not only developed unique production processes but also very sophisticated logistics and transportation capabilities.

Röhm's products are shipped to industrial customers all over the world, by truck, train and ship, for use in a wide variety of industries including paints and coatings, precious minerals mining, automotive and transportation, building and architecture, and health care.

As part of Evonik, Röhm developed extensive, complex systems to ensure compliance with legal, regulatory and industry requirements, and best practices. Going beyond compliance to ensure safety and protect its reputation is a priority for Röhm in production, product safety, transportation and the handling of all its products. Röhm's transportation risk analysis process is now considered best-in-class.

CHALLENGE

Three of Röhm's products – low stabilized MMA (methyl methacrylate), NaCN (sodium cyanide) and ACH (acetone cyanohydrin) – require special handling. These products are used commercially in applications such as chemical synthesis, electroplating, mining and the production of plastics, paints and coatings, and pharmaceuticals.

Through its global distribution network, Röhm transports several thousand tons of ACH each year. Ensuring safety not only at its own facilities, but for personnel, vehicles, and the general public throughout the delivery process is a daunting challenge. This effort requires vetting of and collaboration with third-party logistics companies as well as customers.



STRATEGY

To fully identify and mitigate safety risks in the transportation of these hazardous chemicals, Röhm developed its own Transport Risk Analysis (TRA) process. This process and associated analyses are based on voluntary Responsible Care guidelines, as well as the Zürich Hazard Analysis (ZHA) methodology, and makes use of DHL's Resilience360 technology.

For these products, a complete Röhm TRA is conducted: all transportation routes and vehicles to be used by the logistics companies are examined in detail. Extensive desktop research is conducted by the designated team to identify potential risks in each route. A wide range of risks is considered – from political risk, patterns of crime, recent incidents along the route, potential for natural disasters and weather patterns – in addition to the inherent risks associated with each route and mode of transportation.

Next, Röhm sends people out to travel the route – to inspect, in person, each step of the way.

Notes and photographs are taken to document the entire route and support the auditors' observations and commentary on the desktop assessment of the transportation risk. All of this research is compiled into a TRA report, which can run into the hundreds of pages.

Röhm also requires customers to respond to a questionnaire assessing their safety and legal standards and submit to an audit before it will deliver any product to that customer's site. In this way, the TRA covers the entire chain of custody from the Röhm manufacturing site to unloading at the customers' facilities.

These TRA reports compile risks identified in both the desktop research and the in-person assessments. This compilation of information is then put through a risk analysis in which each individual risk is assessed and prioritized based on potential impact and potential likelihood. The team then plots the risks on an impact-probability risk matrix and assesses the appropriate Risk Tolerance Boundary.

RÖHM CASE STUDY

RESULTS

Once the identified risks are plotted on a matrix, the company works to minimize or mitigate all risks above the identified Risk Tolerance Boundary.

Röhm's risk mitigation actions typically include finding ways to change the route or changing the mode of transportation (for example, from trucking to rail) or making other adjustments at transfer points to reduce risks. In a few instances, risk mitigation involved working with local authorities to prevent theft of trucks along to delivery route. Any incidents or near-misses are investigated to uncover root causes and use learnings to improve future risk mitigation.

In addition to requiring GPS monitoring during transit, Röhm may employ additional measures such as temperature monitoring of their products, when appropriate. Temperature monitors can be beneficial on shipping routes to mitigate risk of fires on board during transit.

To further ensure that any leading indicators of issues during transit are handled appropriately, Röhm works with its logistics companies to develop emergency and disaster response plans. Röhm has incident teams ready to respond to any issues with these highly hazardous products during transit. The logistics companies also have access to a TUIS 24/7 call center system, which all German chemicals companies participate in. Wherever in the world they operate, there are equivalent logistics emergency support systems – such as CHEMTREC in the US, and NRCC in China.

Röhm provides similar support for the management of waste from its facilities as a portion of the waste also contains hazardous materials that can be life threatening if not handled properly. Waste management companies are held to similarly high safety process standards and are regularly audited.

Finally, as part of Evonik, Röhm contributed to KPIs collected for the company's annual sustainability reports. These KPIs included many transportation and process safety-related and product stewardship-related metrics and goals, as well as discussion of performance.



Röhm has incident teams ready to respond to any issues with these highly hazardous products during transit.



GOVERNANCE

Establishing strong corporate governance systems, policies and procedures at Advent's portfolio companies is critical to creating long-term value. Integrity, social responsibility and high ethical standards as well as transparency are at the center of everything we do.

When Advent invests in a portfolio company, clear, distinct roles and responsibilities are established with management, the board and shareholders. We work with senior executives to form boards with independent board members, implement appropriate sub-committees, create limits and controls, and ensure that transparent reporting functions are properly structured. These principles are of particular importance in some emerging markets in which we operate, where family-run operations and evolving businesses are more prominent.

When you put governance in place, you are immediately creating value. You start forming a company that can be identified by a strategic buyer, often a multinational corporation, and that can be easily integrated into an international business. For us, corporate governance is a major part of what we do to create value.

Patrice Etlin
Managing Partner, Advent International

To support in the implementation of an appropriate corporate governance structure, members of Advent's risk management and legal teams meet with portfolio company senior management and key stakeholders to understand their current governance and risk management framework, review policies, identify gaps and areas for improvement, and to share Advent's governance toolkit.

Advent's governance toolkit was created to assist our portfolio companies in managing their corporate governance in a responsible and compliant manner. The toolkit provides practical guidance on key topics such as formalizing board structure, designing a suitable code of ethics, adopting appropriate anti-corruption programs and developing appropriate CSR policies. It contains background materials and sample policies that companies can customize to fit their unique needs. The toolkit also serves as the platform for our engagement with portfolio companies to better understand their ESG initiatives.

Since its development in 2013, the Advent team has shared the toolkit with 76 portfolio companies spanning all five industry sectors in 22 countries across North America, Europe, Latin America and Asia. The response from portfolio companies has been extremely positive. Senior management views the relationship with Advent as a partnership and appreciates both the resources and the best in class guidance the toolkit provides.

The impact of the toolkit can be seen in the types of initiatives the team has helped companies execute. These include:

- Providing critical knowledge to assess and build anti-corruption and economic sanctions compliance programs;
- Enhancing risk management frameworks;
- Ensuring adequate insurance coverage to mitigate risk and support growth;
- ESG assessments that identify risks and opportunities and lead to subsequent health and safety assessments and the development of new CSR initiatives;
- Identifying CSR objectives such as creating transparency in the supply chain, increasing employee and community engagement and improving energy efficiency and waste management practices.

The interaction between the portfolio company and Advent's risk and legal teams provides the foundation for opening another line of communication with portfolio companies and another way in which Advent supports them throughout the life of the investment.

By strengthening corporate governance, risk management and regulatory compliance, Advent aims to reduce risk at both the portfolio company and fund levels. We believe this approach to governance, ethics and risk management differentiates us as a responsible owner. We see the importance of this approach reflected in our reputation in the marketplace, in the deal flow that comes to us and in the success of our companies following our exit.



We build great, sustainable companies that generate long-term value for stakeholders. That's due to the very strong culture we build in these companies, where proper governance is a pillar for this – and that remains long after we are gone.

Patrice Etlin
Managing Partner,
Advent International

76
portfolio
companies
22
countries

Governance toolkit rollout.

OUR INTERNAL APPROACH TO ESG



ENVIRONMENTAL IMPACT

As a firm, Advent is mindful of the impact of our business on the environment and we seek ways to lessen our day-to-day impact.

We strive to use our resources efficiently to reduce cost, manage risk and improve our environmental profile. Like our portfolio companies, we implement innovative approaches to operational excellence, using energy efficiently, reducing consumption of natural resources, and creating environmental benefit where possible.

Within Advent's office locations, we continue to seek new opportunities to improve the way we manage our impact on the environment.



SOCIAL CONSIDERATIONS

We appreciate the importance of human capital and seek to create an environment that promotes personal growth and encourages retention.

In 2017, we established a Global Diversity & Inclusion Committee which focuses on assessing and promoting diversity within our Advent team and ensuring our corporate culture fosters the diversity we need. We strive to demonstrate our dedication to our employees in order to create an environment in which our employees feel respected and valued.

Many of our employees are committed to causes which are personally important to them and are independent of their role with Advent. We enthusiastically support the individuals who commit time and resources to these causes. We support those who wish to use their professional skills and experience to benefit non-profit organizations. Below in this report, our employees' core efforts with Partners in Health and other organizations are featured.



GOVERNANCE

We apply a rigorous governance approach not only to our investment process, but also to the management of our firm.

Advent International Corporation is registered with, and regulated by, the Securities and Exchange Commission ("SEC") in the United States, and our UK advisory business is registered with, and regulated by, the Financial Conduct Authority ("FCA") and Luxembourg advisory business and funds are registered with, and regulated by, the Commission de Surveillance du Secteur Financier ("CSSF").

Advent is required to abide by all applicable SEC, FCA and CSSF rules including those associated with responsible behavior, risk management and transparency.

Each of our investment funds has a dedicated advisory committee of limited partner representatives who meet with us periodically to review the portfolio and monitor important actions. Our funds are supported by dedicated investment advisory committees which are comprised of local partners and at least one partner from another region to ensure consistent application of Advent standards and the sharing of knowledge and best practice. We have a global risk committee and an operational audit committee which manage our operational risks worldwide.



STAKEHOLDER COMMUNICATION

We recognize the importance of frequent and transparent communications with our investors, our portfolio companies and our employees.

For our investors, we provide timely fund financial reports as well as certain information on non-financial matters as required by our fund documents and best practices.

At our annual investor meeting we present and discuss portfolio company progress openly. Our portfolio companies look to us to share best practices and provide tailored support to management as they implement their value creation plans.

SUPPORTING A CULTURE OF DIVERSITY

Advent's executive leadership team is leading the way for Advent to become a more diverse and inclusive place to work. Advent's culture has always been one of collaboration and inclusivity; therefore, diversity is a natural initiative for us internally.

Being diverse and inclusive is critical to our ability to hire, develop and retain extraordinary people, where everyone thrives and has the opportunity to succeed. We aim to maintain an inclusive environment that values diversity of background, experience, ideas and opinions. Diversity at Advent is embedded in the way we see our future.

Over the last two years, Advent has generated renewed momentum to further enrich its culture and reassess the composition of the firm at every level. We are committed to promoting diversity and inclusion within our firm and our portfolio companies. We believe diverse organizations make better decisions and recruit stronger teams. Ultimately, a more diverse organization will contribute to creating better returns for our investors.

We believe that the opportunity to be a better firm and a stronger magnet for talent comes from having a truly inclusive culture, which allows people to express their views in a completely open way. Having a culture where you can embrace a wide range of opinions allows you to make better decisions, which is critical to our success.

James Brocklebank
Managing Partner, Advent International



BUILDING THE BEST

Advent's Global Diversity & Inclusion (D&I) Committee has been working hard to increase our internal awareness around diversity and inclusion. Comprised of female and male representatives from our global offices, across various tenures and levels of seniority, the Committee reflects diversity within Advent. Our approach to diversity and inclusion at Advent includes a D&I Mission Statement that puts diversity and inclusion at the heart of the development, recruitment and retention of our people. Our internal policies and culture are shaped under four pillars – culture, recruitment, development and retention.

In order to continue to hold ourselves accountable for change on a short-term and long-term basis, Advent's Executive Committee starts every meeting with a discussion around diversity. As with our portfolio companies' growth plans, we want to monitor and measure our progress on diversity and inclusion so we can continue to develop in this area and provide regular input.

CULTURE

We promote an environment that views diversity objectives through the same lens as any critical business objective. We recognize that people from diverse backgrounds, a mixture of men and women, are truly valuable to the firm and its decision-making when every individual feels welcome to express his or her views and where everyone feels valued and respected.

While we are not yet satisfied with our performance on diversity, we promote the use of non-stigmatized diversity and inclusion policies and benefit programs and look to set precedents on these issues from senior levels of the firm.

Leadership and collaboration around embedding diversity and inclusion, internally and externally, is important to Advent's continued success.



SUPPORTING A CULTURE OF DIVERSITY

RECRUITMENT

We are building well-rounded global teams for the future, to meet the needs of our employees, to create diversity of thought, especially around our investment decisions, and to connect with a wide-ranging group of portfolio companies, investors and advisors. To do this we need to attract, interview and hire a diverse set of qualified candidates including those in underrepresented groups. Interview training and processes support a bias-free and inclusive environment at Advent.

The value is in creating a culture where we can attract the best people, regardless of gender, race, background etc. We want Advent to be THE talent magnet in the industry, the firm where everybody wants to work and where their career potential is limitless.

Tricia Glynn

Managing Director, Advent International

Advent's Women's Inclusion Network (WIN) in North America is active both internally and externally to increase the number of women applicants to, and employees at, our firm. Educating young women about opportunities in private equity, we sponsor a panel of current and former Advent employees to discuss real-life questions about working in private equity and balancing personal objectives, such as building a family. Private equity outreach to talented young women aims to demonstrate that our industry is compatible with other life goals and priorities.

In Europe, Advent supports Level 20, a non-profit organization established to inspire and encourage more women to join and succeed in the private equity industry, at board level and through a range of initiatives including mentorship and sponsorship. The London D&I team have also held a number of successful workshops with senior high school women to introduce them to private equity and to encourage them to think about it as a long-term career. The format has included mock investment committees discussing real life investment opportunities that they present.

DEVELOPMENT

We foster a creative environment that promotes engagement through awareness and training.

Recognizing that Advent aims to promote ever greater numbers of senior members (women as well as underrepresented backgrounds) from within our own talent pipeline, we have put greater emphasis on ensuring that professional feedback, training opportunities, mentoring and sponsorship can help level the playing field in advancement. Advent is committed to offering equitable career development opportunities, bias-free staffing, and support via sponsorship, mentorship and networking programs as well as leadership training and broader diversity training initiatives.

We help managers address and reduce unconscious biases, break down stereotypes and avoid perceived barriers to advancement opportunities for all underrepresented groups.

Managing diversity in our ranks and at our portfolio companies requires an understanding of current demographics across several dimensions of diversity: male/female, ethnic and nationality, and LGBTQ representation. Establishing a clear picture of where we are today allows us to see our progress over time, and to hold ourselves accountable.



RETENTION

The key to keeping the talented, diverse individuals we are able to attract is to ensure they are treated equitably as they advance in the firm and that the firm's programs and policies enable them to pursue a balanced life, raise children and maintain outside interests. We are advancing these efforts by including industry leading benefit programs and policies that provide all employees a career without limits.

Success looks like a place where we have a strongly diverse workforce, where we have low turnover of women, particularly at senior ranks, and where we have great performance. Because there's no question in my mind that at the end of the day, getting diversity right will ultimately drive performance for our investors.

James Brocklebank

Managing Partner, Advent International



ADVENT IN THE COMMUNITY

Advent's team culture is integral to how we operate and extends beyond the workplace in the form of a strong commitment to giving back to our local communities. As a firm, we take pride in dedicating our time and energy, as well as resources to help others worldwide.

At Advent, our leadership strives to lead by example. Our partners individually and as a global group are dedicated to supporting philanthropic organizations that hold meaning in their lives whether they be educational, healthcare based, community service focused or the arts. Advent professionals across the world give generously of their time and resources to locally and personally significant causes under the Advent banner. This approach reflects our conviction that the individual is at the heart of giving and should drive our collective philanthropy given the important causes which require funding all over the globe.

Part of the fulfillment we experience from our work is being able to give back and help others by making a difference in our local communities. Advent is a firm that highly values and promotes philanthropy of all kinds. Our professionals are encouraged to embrace opportunities and support causes in ways that resonate powerfully and personally rather than solely as part of a corporate mandate. Over time, we've built a central tenet of our Advent mission statement that encourages all of our employees to strive to lead balanced lives which includes dedication to family and philanthropic support of the communities in which they live."

David Mussafer
Managing Partner, Advent International

GLOBAL PARTNERSHIPS

We collaborate as one firm to support organizations and charities that help build stronger, more sustainable communities, especially in the fields of education and healthcare.

Advent proudly sponsors Partners In Health (PIH), an international medical organization launched in 1987 that helps build and sustain public health systems in poor and underserved communities around the world. PIH now reaches more than seven million people in some of the world's most deprived areas. As one of many organizations to which we contribute, our teambuilding events have raised a substantial amount for PIH over nearly a decade of partnership.

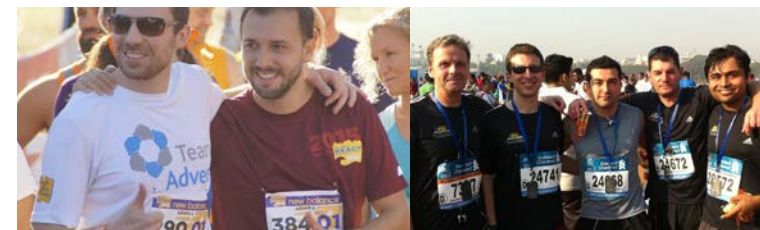


GLOBAL TEAMBUILDING & FUNDRAISING

Given our culture of teamwork, cross collaboration and deep commitment to our goals, Advent has chosen to extend this ethos as a way of coming together to raise money for the charities which we support. Advent encourages and sponsors all of its employees, regardless of location or level of seniority, across the globe to come together and participate in these global team building events as a way of encouraging team work, diversity, and cross collaboration.

Our team at Advent is an incredible tapestry of professionals from over 35 different nationalities and ethnicities, and we come together with a passion for what we do and take enormous pride in what our organization stands for. The culture and character of Advent makes us incredibly proud to be part of a company which values team building events that are anchored in making a big impact in the world for other people. It is core to who we are as a firm.

David Mussafer
Managing Partner,
Advent International



RELAYS

The Advent team partakes in a number of relay races around the globe, uniting our strong commitment to giving back with our equally deep commitment to teamwork.

RAGNAR RELAY AND REACH THE BEACH

Ragnar Relay and Reach the Beach are non-stop 200-mile overnight team relay races based in New York State and New Hampshire, respectively. Months of preparation and fundraising culminate in runners, drivers and volunteers from across Advent's global offices participating in the physically intense two-day event. Our relay teams complete the courses in an average of 30 hours, with each runner completing about 16.5 miles. The relay teams include our own Advent team members as well as representatives from PIH and law firms, investment banks and consultants with whom we work.

Every other year from 2011 to 2017, the Advent global teambuilding event participated in these relays to raise funds for PIH. These funds were used to purchase equipment for a 205,000-square-foot, 300-bed, teaching hospital in Mirebalais, Haiti, build a maternity ward at a Malawi hospital, and support health clinics in Mexico.



MUMBAI MARATHON

In some communities in Mumbai and Pune, India, the lack of any quality state-sponsored education leaves children of low-income families facing poor prospects, trapped in a cycle of enormous struggle without the skills to fulfill their potential and transform their lives.

The School Project, run by non-profit organization the Akanksha Foundation, aims to break this negative cycle. Its driving force is a belief that an excellent education can bridge social and opportunity divides – a belief shared by Advent.

The Mumbai Marathon was identified as the ideal focus for their fundraising. Running through the streets of Mumbai, the marathon brought our teams close to the grass roots of the children they most wanted to support. The cause also drew a positive response from our offices worldwide, with colleagues volunteering their sponsorship, participation and goodwill. On 15th January 2012, 32 team members from 10 offices across Europe, USA, Latin America and Asia arrived in Mumbai to take up the challenge of running either the 21 km half or 42 km full marathon through the crowded streets. Before the race, our runners visited an Akanksha Foundation school in Mumbai to see for themselves the quality of education, values, integrity, teamwork and joy their efforts would help to bring.

GLOBAL TEAMBUILDING & FUNDRAISING

THE ADVENTURE CHALLENGE

Having participated in Reach the Beach and similar running challenge events, Advent decided to create a new version of our global team building activity and shifted the event to the UK this year. We developed The ADVENTure Challenge, a new 2-day team-based event involving running, cycling and kayaking starting in the Cotswolds and finishing in London. More than 240 people joined in the challenge and another 150 people helped make the event possible. Advent and our advisors from all of our regions around the world came to the UK to get involved in the challenge.

Increased participation from Advent senior leadership inspired many more Advent employees and senior advisors to join in this event than have participated in the past. In addition, holding the event in the UK encouraged many of Advent's European employees and advisors to participate for the first time.

Advent as a whole enjoyed a twofold success: we were able to raise significantly more money for both global and local charities our firm is committed to – Partners in Health, Proxité, Die Arche, Heads Together and Fundación Aladina – and we created a unique opportunity for the Advent family to connect and work as a team in fun and challenging circumstances. This boost in employee engagement – and engagement in our community efforts – is a double success for the firm.

Even better, participants across the board responded that they are extremely likely to participate in this kind of event again. With visible leadership from within the firm and inspired participants, Advent hopes to increase participation even further in the next event – and raise even more money to help impressive organizations making a difference in our communities.



SELECTED LOCAL TEAMS IN THE COMMUNITY

At ground level, we support our local offices and employees' passion for the causes that matter to them, encouraging their own social initiatives such as fundraising, voluntary work, mentoring, external appointments and memberships. As well as helping local communities, these play a vital role in team cohesion, making our employees more engaged and aware of issues in society around them.



ADVENT INDIA

Advent Mumbai financially supports and participates in activities at St. Jude India ChildCare Centres (St. Jude's) as well as several other efforts aimed at protecting children in need.

St. Jude's provides a home-away-from-home for rural and underprivileged families with children requiring cancer treatment at one of Mumbai's urban medical centers. A child's entire family can be accommodated in the Centre's 255 clean, safe living units during the course of the child's outpatient treatment at Mumbai hospitals. In addition to family living units, St. Jude's provides nutritious meals, playgrounds, activities and a supportive staff. Families are welcome to stay for the duration of their child's treatment, which often lasts for many months.

The Advent team in Mumbai has participated in activities with and for the St. Jude children for the past several years. Last year the Advent volunteers brought caps for the children as a gift, because cancer patients' hair often falls out during treatment, and conducted an art project in which the children could decorate their caps themselves. This year, the Advent Mumbai team returned for a day trip to visit the children at St. Jude's and their families. The art activity the Advent team hosted for the kids this year was a pouch painting session where the children painted the pouches and used them for multifunctional purposes such as storing medicine and stationery.



Each year, the Advent volunteers also give the children goodie bags full of healthy and hard-to-find foods such as dried fruits and buttermilk biscuits. Additionally, on the day of their visit, the Advent employees surprised the children and their families with a puppet show at the Centre.

As part of Advent Mumbai's broader support for children in need, the office also provides financial support to several organizations focused on education and child protection. The other such recipient organizations are Arpan, Nanhi Kali and Mukangan. All of these groups work towards education, recovery from abuse and protection of extremely disadvantaged urban children, often orphans, who may be vulnerable to violence.

In the darkest time of their lives, many families are fortunate to forge a new community of love and support at St. Jude India ChildCare Centres, which offer free-of-cost hygienic, protective, nurturing environment that gives these children the best chance of beating cancer.

Usha S Banerji
CEO, St. Jude's Childcare Centre

SELECTED LOCAL TEAMS IN THE COMMUNITY



ADVENT GERMANY

In recent years, Advent Germany has supported Die Arche's "school care" program at the Berthold Otto elementary school in Frankfurt/Griesheim.

Die Arche was founded in 1995 in Berlin to support children in inner cities and has since expanded to 24 German cities, as well as to select other Central European cities. Die Arche's motto is "Making Children Stronger For Life." The aim is for children to experience trust and build a foundation for long-lasting self-esteem at Die Arche, irrespective of their social or economic background.

This is the fifth year the program has been run at the local Berthold Otto elementary school in Frankfurt/Griesheim, and the third year that Advent employees have spent time with the children by participating in activities with them at the Berthold Otto elementary school.



This year, the Advent team spent an educational day with the children firstly at Frankfurt airport learning about travel and engineering with a behind the scenes tour, and latterly at a nature reserve, learning about the local environment and its ecosystem. Previous activities have included participating in sports, arts and crafts at the Arche center.

Every day at the Berthold Otto elementary school, close to 100 children receive free lunches and homework support through the Arche program. Together with the school, Die Arche provides music, sports, and creative activities for the children, making school more enjoyable and enabling them to feel valued and safe.

Die Arche also offers assistance and advice to parents as a way of helping families become more stable day-to-day environments to allow children to succeed.



ADVENT BOSTON

For several years, Advent Boston team members have been working with and advising City Year as the organization has expanded within Boston, then across the United States and now internationally.

City Year is a successful education focused non-profit founded in Boston that has been helping school children stay on track, and graduate, for more than 30 years.

Each City Year team is funded by a combination of corporate sponsorship, and municipal and federal funding. For the 2018 - 2019 school year, Advent's Boston team financially sponsored a City Year team at the James Condon School (kindergarten through 8th grade) in South Boston.

The school year at the Condon School commenced with an in-person Welcome Event, organized by Advent's Boston team.

There are few resources more valuable to a school than committed, well-trained, focused corps members...City Year corps members develop strong relationships with students which deepens the student's connection to the school and motivates them to achieve.

Principal Robby Chisholm
Condon K-8 School



Throughout the year, Advent employees brought lunch for the volunteers periodically and hosted the team at the Advent Boston office for meetings. During the summer, the Boston office participated in the annual Service Day.

At Service Days, a cross section of Advent employees and their families help improve the appearance and functionality of our partner school, through activities such as library organization, painting inspirational quotes and murals on the walls, and creating "test-prep" kits to assist students with upcoming standardized testing.

Advent employees also helped the teachers by raising funds for and delivering "wish list" school supplies that are not covered by the school budget, such as dry erase boards, notebooks and other needed educational aids. Many of Advent's Associates (closer to the students' age range) develop informal mentoring relationships with the City Year team members. In the spring, end-of-school celebrations for students and City Year corps team members are organized by Advent as well.

SELECTED LOCAL TEAMS IN THE COMMUNITY



ADVENT COLOMBIA

Advent's team in Colombia has supported high-impact local entrepreneurs through its partnership with Endeavor Colombia, since 2015.

Endeavor Colombia is part of the global Endeavor network, whose goal is to have a positive impact in local economies by transforming entrepreneurs into highly successful business leaders. Endeavor enables this transformation by leveraging a network of seasoned business leaders and implementing a support model that includes mentorship, knowledge sharing, connections with potential investors, and even, potentially, investment from the Endeavor VC fund.

Most of Advent Colombia's senior team members mentor Endeavor entrepreneurs in areas such as corporate governance, strategy, operations, finance and talent, drawing on our experience growing and strengthening many diverse businesses. The Advent senior team has donated approximately 130 hours to 54 companies over the last five years. Advent's leaders have participated as jurors in three Endeavor run panels to evaluate and select local entrepreneurs, one of which was hosted in the Advent Bogotá office.

In addition, we have provided financial support for two gala fundraising events; these events play an important role in connecting key players in the Colombian business sector and are an important source of fundraising for Endeavor.

Finally, Advent has facilitated win-win partnerships between some Advent's portfolio companies in the country and Endeavor entrepreneurs. For example, Advent facilitated an alliance between Advent portfolio company LifeMiles, one of the largest and fastest-growing loyalty coalition programs in Latin America, and comparamejor.co, an online insurance portal. This alliance with LifeMiles enables the accumulation and redemption of miles in comparamejor. Similarly, Advent helped develop an alliance between startup company Spira and long-established asset management and trust company Alianza Fiduciaria, a now exited Advent portfolio company. Spira developed customized training programs tailored to improve job performance and employee efficiency at Alianza Fiduciaria.

For Endeavor, the support received from Advent in Colombia has been unconditional. The knowledge and expertise in analyzing high growth companies is very valuable, contributing to enhancing the selection process of the top entrepreneurs in our ecosystem. Moreover, the guidance and mentorship provided to Endeavor Entrepreneurs by a highly qualified and recognized group of leaders has helped to encourage them to think big, be more focused and strengthen their financial capabilities to better understand their business and the industry in which they operate.

Adriana Suarez
Managing Director, Endeavor Colombia



We recognize that our success hinges on the smooth functioning of wider society. Our funds' portfolio companies employ thousands of people and benefit from healthy communities.

As a firm, we will continue to foster our unique culture and encourage our people to make a personal difference by contributing time and resources to benefit non-profit organizations, charities and other philanthropic initiatives to help build a better world.



