

# ESG Overview



**CONFIDENTIALITY**

*These materials contains confidential proprietary information of Advent International Corporation (“Advent International”), one or more investment funds managed or advised by Advent International (each, an “Advent Fund”), and their respective affiliates and/or portfolio companies (collectively, the “Advent Entities”) and is furnished in confidence solely to the recipient for the specific purpose of evaluating the recipient’s potential or current investment in an Advent Fund (the “Permitted Purpose”). By accepting this presentation, the recipient agrees that without the prior written consent of Advent International, the recipient shall not (i) copy, distribute, make available or otherwise disclose any information in this presentation to other parties, or (ii) use such information for any purpose other than the Permitted Purpose. If the recipient is a current investor in an Advent Fund, any confidentiality limitations under the partnership agreement or other documents relating to that Advent Fund will also apply to and restrict the disclosure of the information included in this presentation. In addition, the recipient understands and acknowledges that: (x) Advent International is providing certain of the information contained herein as a courtesy and not pursuant to any contractual or other obligation to the recipient or any other person; (y) by providing such information at this time, Advent International is not creating and is not intending to create any type of obligation to provide similar information at any time in the future; and (z) Advent International has no duty to update such information and may decide not to provide the same type of information in the future.*

**NOT AN OFFER**

*No Advent Entity is undertaking to provide impartial advice or give advice in a fiduciary capacity, and one or more Advent Entities may have financial interests associated with an investment in an Advent Fund, including the receipt of management fees and other allocations and distributions. Any offer or solicitation relating to the securities of any Advent Fund may only be made by delivery of a Private Placement Memorandum (a “Private Placement Memorandum”) of such Advent Fund and only where permitted by law. This presentation is qualified in its entirety by the more detailed information in the Private Placement Memorandum and the governing documents of the applicable Advent Fund or, in the case of information provided to existing investors in an Advent Fund, the periodic reports delivered to investors and the governing documents of such Advent Fund. For more information on any Advent Fund’s investment strategy and risks, please read its Private Placement Memorandum, periodic investor reports and governing documents, as applicable. Any decision to make an investment in an Advent Fund should be based solely on the information in the Private Placement Memorandum and the governing documents of that Advent Fund. This presentation is not intended to constitute legal, tax or accounting advice or an investment recommendation. Prospective and existing investors should consult their own advisors about such matters.*

**AIFMD**

*These materials do not constitute an offer to invest in any fund. A formal offer will be made only on registration under Article 42 of the Alternative Investment Fund Managers Directive (the “Directive”) or upon the granting of the appropriate passport by the relevant EU regulatory authority under the Directive (as appropriate).*

**PAST PERFORMANCE**

*In considering the prior performance information contained herein, the recipient should bear in mind that past performance is not indicative of future performance, and there can be no assurance that an Advent Fund or other Advent Entity will achieve comparable results in the future.*

**ACCURACY**

*These materials not been audited or verified by any third party and is subject to change at any time without notice. Certain information contained herein was based on or obtained or derived from data published or prepared by other parties, including, without limitation, personnel of Advent Fund portfolio companies (“Third-Party Information”). While such sources are believed to be reliable, none of the Advent Entities or any of their respective directors, officers, employees, partners, shareholders or agents (each, an “Advent Party”) assumes any responsibility for the accuracy of any Third-Party Information. No Advent Party makes any representation or warranty, express or implied, as to the accuracy or completeness of any Third-Party Information or any opinions contained in this presentation. No Advent Party shall have any liability to any recipient of this presentation or any other person relating to or resulting from the use of or reliance on any such information contained herein or any errors therein or omissions therefrom.*

**THIRD PARTY**

*These materials may contain trade names, trademarks or service marks of other companies. Advent International does not intend the use or display of other parties’ trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of, these other parties.*

# CONTENTS

**04**  MESSAGE FROM OUR PARTNERS

**05**  OUR GLOBAL APPROACH

**06**  OUR APPROACH TO ESG IN THE INVESTMENT PROCESS

**07**  ADVENT RESOURCES FOR SUSTAINABILITY

**08**  S&P GLOBAL SUSTAINABLEI COLLABORATION

**09**  CLIMATE & GHG EMISSIONS

**10**  CYBER SECURITY STANDARD

**11**  DEI & TALENT DEVELOPMENT: ADVENT LEADERSHIP ACADEMY

**12**  DEI & TALENT DEVELOPMENT: ADVANCING DEI IN EUROPE AND ASIA

**13**  DEI & TALENT DEVELOPMENT: OUR APPROACH IN LATIN AMERICA

**14**  DEI & TALENT DEVELOPMENT: PARADIGM

**15**  ENVIRONMENTAL: MANAGING IMPACTS

**23**  SOCIAL: FOCUS ON STAKEHOLDER RELATIONSHIPS

**30**  GOVERNANCE: ENHANCING GOVERNANCE THROUGH EXPERTISE, PROCESSES AND CULTURE

**37**  ADVENT LEADERSHIP: SUSTAINABLE MARKETS INITIATIVE

**38**  ADVENT IN THE COMMUNITY

CASE STUDIES  
Grupo Cataratas  
Hermes UK

CASE STUDY  
Aditya Birla  
First Watch

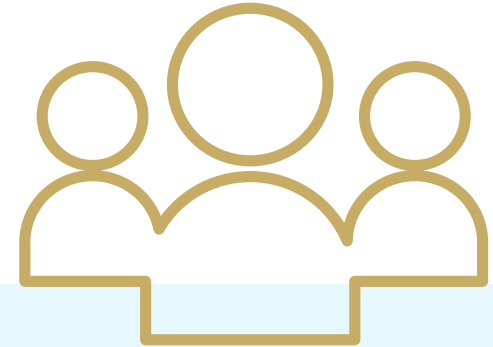
CASE STUDIES  
Aimbridge Hospitality  
INNIO

**40**  GLOSSARY

## MESSAGE FROM OUR PARTNERS

At Advent, we look at business performance through a wider lens. As the role of business in society continues to evolve, we firmly believe our focus on Responsible Investing not only creates positive change in broader society and our own performance, it also reduces systemic risks and uncovers opportunities created by shifting global conditions and markets.

The long-term success of any business must take into account these evolving and dynamic global trends.



Our sector and regional expertise offers Advent a global perspective on opportunities, risks and adaptation strategies across geographies and industries, enabling us to source compelling investments. Taking a longer-term view also allows Advent to position our portfolio companies to benefit from sustainability megatrends, such as the global transition to a low carbon economy and the drive toward net zero. We recognize that companies must anticipate and respond to these trends to be well positioned in the changing competitive landscape.

Private equity has a unique role to play in effecting the change necessary to accelerate the transition to a more sustainable future. Our active ownership model enables us to drive change and shape the value creation approach of companies across numerous sectors of the global economy. We support our portfolio companies in designing sustainability strategies in a way that aims to accelerate carbon reduction commitments, increases diversity, protects data, promotes transparency, protects biodiversity, maintains responsible supply chains and builds more sustainable businesses for the future.

In keeping with Advent's ethos of collaboration and partnership, we have developed and deployed four new innovative programs this year that can help our companies become better, faster: Advent's collaboration with S&P, which standardizes metrics collection and baselining; our cyber security model, which mitigates risk; DEI assessments, which promote diversity and inclusion across the portfolio; and greenhouse gas (GHG) emissions pilots, which provide a starting point in the journey of our portfolio companies to reduce emissions. These programs are designed to advance companies' sustainability programs and engrain ESG in corporate strategy. They are described in more detail in this ESG Overview Report.

As Advent continues to advance our approach to embedding ESG in value creation, we remain committed to challenging ourselves and our portfolio companies to think about the role ESG and sustainability play in setting corporate strategy and in identifying additional opportunities and levers to unlock value.

**The Advent Partners  
November 2021**

## OUR GLOBAL APPROACH

Being a responsible investor means respecting communities, transparently communicating, managing risk, 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 ESG (environment, social and governance) report is designed to provide insight into our approach to ESG and a snapshot of various ESG initiatives within our portfolio.



**15**

OFFICES

**12**

COUNTRIES

**4**

CONTINENTS

**495+**

EMPLOYEES

**\$81bn**

ASSETS UNDER MANAGEMENT

**250+**

INVESTMENT PROFESSIONALS

**380+**

INVESTMENTS ACROSS 42 COUNTRIES

All data as of 30 September 2021, except AUM which is as of 30 June 2021.

## OUR APPROACH TO ESG IN THE INVESTMENT PROCESS

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

### 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.

ESG pre-diligence screens and targeted ESG-related 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, including ESG considerations, are thoroughly assessed.

### ACTIVE OWNERSHIP

Once an investment has been made, Advent conducts an additional, post-acquisition follow up ESG review, to be completed once we have full access to management, with the goal of more precisely assessing company-specific risks and opportunities. With the support of third-party advisors, we map company-specific issues against the applicable Sustainable Accounting Standards Board (SASB) materiality sector index and recommend actions, as appropriate. 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.

At Advent, we view ourselves as good stewards of businesses who build and position companies for long-term success. Typically, we sit on the boards of our portfolio companies as well as on audit, compensation and other committees and work in close partnership with our management teams. We work with our portfolio companies to support them in driving operational and strategic improvements, including identifying and managing ESG issues that may be significant for their corporate strategy, such as environmental, health and safety profile, diversity, equity and inclusion (DEI), cybersecurity, supply chain, GHG inventories and comprehensive ESG assessments and scoring.

We provide guidance and resources to our portfolio companies as they undertake these initiatives under our active ownership model.

“We view ourselves as good stewards of businesses who build and position companies for long-term success”

### ESG REPORTING

At Advent we communicate regularly with our limited partners about ESG. Our ESG Overview Report describes Advent's philosophy and approach to ESG in the investment process and the firm. The report highlights key initiatives and features selected short case studies on a variety of portfolio companies that are addressing challenging ESG issues in interesting and meaningful ways. In addition, we provide portfolio company level ESG reporting that illustrates key risks and opportunities within our five most recent funds (GPE VIII and IX; LAPEF VI and VII; and Advent Tech) on a semi-annual basis.

### INVESTMENT REALIZATION

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.

## ADVENT RESOURCES FOR SUSTAINABILITY

Advent continues to advance our approach to embedding ESG in value creation.

We are challenging ourselves to continually identify additional opportunities and levers to unlock value, for virtually every company, across all our sectors.



We start by assessing the health of the business to understand whether leadership is aligned and if there is a shared perception of strategic risks and opportunities. In keeping with Advent's ethos of collaboration and partnership with our portfolio companies, we bring resources designed to accelerate organic growth by sector and to inform value creation and preservation initiatives.

Advent has a robust ecosystem of resources and expertise to support our management teams and companies. We leverage insights derived from the organization to be used as a blueprint for leadership priorities.

As part of these efforts, we have developed and deployed four new innovative programs this year that are helping our companies become better, faster:

**Our collaboration with S&P Global**

**Our cyber security model**

**Our DEI & talent development approach**

**Our greenhouse gas emissions pilots**

These new programs build on our existing ecosystem of insights, benchmarks, tools and experts and are adapted regionally to best support our management teams and companies. Our teams support management in execution of key initiatives and tracking data-driven results. They have become part of the best practices, proven playbooks and resources Advent offers.

## Sustainability Resources for Portfolio Companies: S&P GLOBAL SUSTAINABLE1 COLLABORATION

Advent is proud to be the first private equity firm to work with S&P Global Sustainable1 on promoting key ESG practices in a group of our portfolio companies. As a responsible investor and business operator, Advent considers ESG factors at all stages of its investment and value creation processes.

We have adopted the internationally recognized S&P Global Corporate Sustainability Assessment (CSA) to measure process and performance improvement.



# S&P Global



**S&P Global  
Sustainable1**

We believe that strong ESG management improves portfolio companies' accountability to their stakeholders, reduces systemic risks and uncovers opportunities created by shifting global conditions and markets.

S&P Global Sustainable1 and Advent announced in May 2021 a collaboration to develop sustainability best practices at Advent and participating portfolio companies. Building on our history of growing and positioning companies for long-term success, we have adopted the internationally recognized S&P recognized Corporate Sustainability Assessment (CSA) to measure process and performance improvement. The CSA is widely acknowledged to be one of the most advanced ESG scoring methodologies and draws upon over 20 years

of experience analyzing the impact of sustainability practices on a company's long-term value creation.

Advent's relationship with Sustainable1 enables our portfolio companies to develop critical ESG metrics that will better inform their strategy and operations. Our structured approach to value creation includes supporting the development of each portfolio company's business model-specific ESG programs.

Companies can benchmark against their own industry best practices and understand the roadmap to operational excellence in ESG. We will use the CSA to help determine how mature portfolio companies' ESG programs are and set a baseline against which progress can be measured.

Sustainable1's research team will analyze both public and private company data. These analyses will inform an internationally recognized and finance focused ESG assessment of the company's exposure to observable ESG risks and its ability to capture ESG related opportunities. The insights Advent and its portfolio companies gain from the CSA platform will inform stronger ESG programs and enable the firm to measure performance improvements over the coming years.

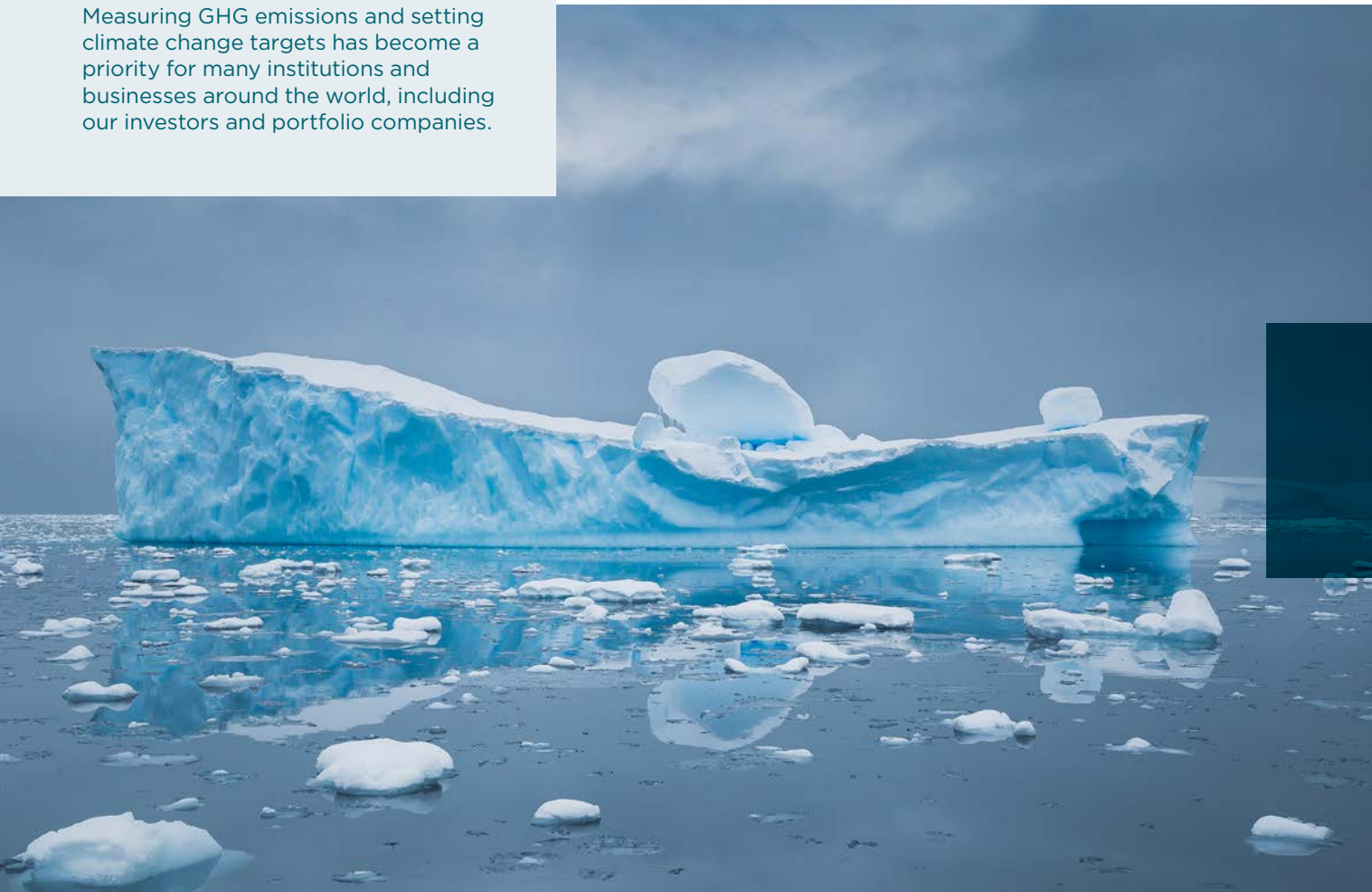


## Sustainability Resources for Portfolio Companies: **CLIMATE & GHG EMISSIONS**

Measuring GHG emissions and setting climate change targets has become a priority for many institutions and businesses around the world, including our investors and portfolio companies.

Each reduction goal or net zero commitment creates ripple effects through the value chain, driving other companies to measure emissions and develop reduction plans. Advent recognizes the importance of providing resources to support our portfolio companies in addressing these trends and in baselining their 'carbon footprint'. This is why we are piloting GHG footprint exercises for a set of companies across the portfolio, to inform their value creation plans and position them for future success.

Advent recognizes the importance of supporting our portfolio companies in establishing their baseline carbon footprints.



## Sustainability Resources for Portfolio Companies: CYBER SECURITY STANDARD

Cybersecurity is an increasingly high profile ESG issue. At Advent we have been preparing our global portfolio of companies to deal with the increasing frequency and sophistication of cyber breaches, malware, and ransomware attacks.

Being able to grow rapidly through an acquisition strategy, with confidence in systems integration and cyber protection, will help our businesses create value more quickly. Strengthening cyber security and establishing processes for integrating cyber protection across many legacy systems makes an acquisitive growth strategy much more seamless for our portfolio companies. Demonstrating good practices in managing cybersecurity risks can also lead to lower insurance costs for companies and is critical to protect sensitive data and businesses processes from criminal activity.



Since the program's inception, the average score for the NA portfolio has improved by over **40%**

### ADVENT CYBER SECURITY PROGRAM

Bringing 'the best of Advent' to help our portfolio companies, Advent leverages world class experts that many companies would have difficulty accessing on their own. Cyber security has become critical to protecting value, as such Advent has developed an internal standard to assess cyber security practices and maturity across our portfolio.

This systematic approach to cyber risk management was rolled out globally across our North American (NA), European, and Latin American portfolios starting in 2020. Nearly every portfolio company participates in this program, no matter the size or the industry. Advent's Cyber Security Program assesses maturity across key areas of cyber security systems and management against a minimum set of standards and globally accepted frameworks such as NIST (National Institute of Standards and Technology) and CIS (Center for Internet Security). These assessments cover governance and management oversight, incident readiness and data protection tools.

Cyber assessment results are shared with all companies with industry-specific benchmarks and recommendations from our external cyber security partners and advisors.



Companies are requested to take actions focused on:

- (i) setting up appropriate risk governance, with regular presentation of cyber status and progress at executive and board level,
- (ii) building and implementing a specific improvement plan able to manage and reduce the risk level of the company,
- (iii) having an updated Incident Response Plan,
- (iv) contracting cyber insurance, where applicable.

All participating companies are re-assessed periodically to ensure they have appropriately improved their risk level.

### RESULTS

Each company's score is informed by assessment survey results and selected deep dive interviews. Cyber security action plans are tailored to each company's situation and are very pragmatic and measurable.

Companies' cyber security improvement over the initial 2020 results will be evaluated on a regular basis. European and Latin American companies' scores will be reassessed in early 2022 to inform future action plans. Since the program's inception, the average score for the

North American portfolio has already improved by over 40 percent.

Importantly, Advent board members received training to enable them to better govern portfolio companies' cyber risk. There are now monthly webinars with company CISOs and CIOs that include an initial presentation followed by discussion of key issues in cyber security.

### NEXT STEPS

Advent's Cyber Security Program will continue to evolve to address the nature of rapidly changing cyber threats as well as the actions needed to responsibly manage those risks, protect intellectual property (IP) and safeguard customers' data privacy. The bar will be higher each year.

## Sustainability Resources for Portfolio Companies: DEI & TALENT DEVELOPMENT



### OUR DIVERSITY, EQUITY AND INCLUSION MISSION

We are committed to advocating and promoting diversity, equity and inclusion within Advent, our boards, our portfolio companies and our advisors. We believe success means equality of opportunity for all of our people, thus creating an inclusive environment that values diversity of background, experience, ideas and opinions. Enhancing diversity efforts across all underrepresented groups supports our most important asset, our employees, and, we believe, makes us more competitive and better investors.

We are making positive change globally across Advent's offices, within our portfolio companies and in the communities in which we operate. At the portfolio company level, we are working alongside management to drive initiatives to enhance diversity in our investee companies. We engage with external parties to perform people assessments which enable our companies to baseline KPIs that focus on employee engagement and diversity, in order to build stronger companies for the future.

### ADVENT LEADERSHIP ACADEMY

Inspired by issues of social justice highlighted over the summer of 2020, Advent decided to invest in accelerating DEI progress in its portfolio companies and creating conditions for change. Together with Harvard Business School (HBS), Advent created the Advent Leadership Academy (ALA) - an executive education program aimed at advancing the career opportunities of diverse, high potential leaders across its North American portfolio. The concept gained momentum quickly, and both curriculum development and applications from every portfolio company were fast-tracked to enable the first cohort of 40 participants to begin the 13-week intensive program in March 2021.

Advent believes that DEI is about not only hiring diverse people, but also providing

mentorship, sponsorship, and importantly professional development. The latter does not happen on its own. The ALA program is designed to give DEI high potential talent the general management skills and tools they need to better prepare them for and accelerate their journeys to executive, C-level careers.

To optimize the value of the experience, participants went through a Hogan assessment to evaluate the strengths and development needs in their individual leadership styles. With the guidance of their Hogan coaches, participants approached the ALA experience strategically to best support their own professional advancement.

**"It meant so much that Advent would make this kind of investment in us. The program was outstanding, dynamic and engaging. I feel a tremendous amount of loyalty and I really want to pay it forward. Fortunately, in my role I have the opportunity to do just that. #sograteful"**

**Laura Sorensen**

Chief People Officer, First Watch

**"The most compelling dynamic was the way the program did not call out DEI as a topic in the curriculum but embedded inclusive leadership into every aspect of the program. I am continuing to leverage the many lessons learned in this work."**

**Lisa Craig** VP Operational Excellence,  
Serta Simmons Bedding

In keeping with the Advent mission, the final step in the ALA curriculum was a value creation project. Teams with a balanced set of functional skills were given a company and tasked with answering the overarching question: what are the key areas of opportunity to create value in this company? The teams explored everything from pricing model to organizational management to digital strategy, and ultimately presented a plan for maximizing the long-term value of the company.

An enduring part of the value of the ALA program has been the network of peers from across Advent's portfolio. Many diverse leaders find themselves being 'one of a kind' at their level in their organizations. Having a network of peers in similar situations from whom to learn and with whom they can exchange ideas and provide support is one of the greatest benefits of the program. Also, as there are more cohorts, an active alumni program will further stimulate collaboration by encouraging past participants to share insights and best practices gained in one sector or geography with fellow leaders elsewhere in the Advent portfolio.

Advent is now preparing for its second ALA program and is excited that the ALA 2022 cohort in North America will also include several candidates from Advent's Latin American portfolio companies.

## Sustainability Resources for Portfolio Companies: DEI & TALENT DEVELOPMENT

### ADVANCING DEI & TALENT DEVELOPMENT IN EUROPE AND ASIA

Building on the success of the initial ALA program, a similar effort is being launched in Europe this coming spring to enhance skills and experience for a group of high potential leaders across Advent portfolio companies in Europe.

Across our portfolio companies in Europe and Asia, we have recently established a baseline of key metrics on gender and other measures of diversity at the leadership and board levels to inform a data-driven approach to improvement. James Brocklebank, a Managing Partner based in London, has a unique lens on industry best practice through his participation on the advisory board of Level20, the industry's European diversity initiative.

To create momentum and a forum for progress, the Chief Human Resource Officers (CHROs) across these companies meet regularly for peer-to-peer talent-focused meetings. For example, one portfolio company recently presented on their DEI efforts to inform a best practices conversation among the group. CHROs report finding this collegial forum for exchanging ideas very helpful in shaping their own programs within their very different companies, industries and regions.



“The CHROs networking meeting has been informative and inspirational. It has been wonderful to catch up with the network of colleagues in the same function at different portfolio companies and learn from the way they have handled their challenges. We stayed in contact even after the meeting and colleagues shared more details about one specific project that inspired me most. We have “translated” it into our company world and already implemented. A great quick win.”

**Ines Windisch** Head of Corporate Affairs & Human Resources, Zentiva Group



## Sustainability Resources for Portfolio Companies: DEI & TALENT DEVELOPMENT

### EVOLVING OUR APPROACH TO DEI & TALENT DEVELOPMENT IN LATIN AMERICA

Advent's guiding principle is to provide equality of opportunity across our firm and our portfolio companies. The Advent senior leadership team in Latin America supports our Talent Programs and is committed to improving DEI both at the fund and the portfolio company level.

Our bespoke Talent programs, which have been in place in Latin America since 2003, are the foundation of our talent attraction and development model across our firm and portfolio. These include the Portfolio Trainee Program, which has attracted 500 individuals since 2010 at the portfolio company level, and the Investment Team Trainee Program, which represents almost 90 percent of all junior level talent at the firm. The MBA Program, which targets top US and European business schools to place talented people to lead high impact projects in our portfolio companies during their summer internships, has recruited 30 executives since 2014. Finally, our Field Operations Program, that sources high potential mid-level professionals to place in our portfolio companies, has attracted 50+ people since the program's start.

**500** individuals have joined our Trainee Program since 2010

Since 2018, female membership in our investment team has increased from **6% to 27%**



*"In addition to the substantial private equity industry knowledge that I acquired and the businesses in which I had the chance to analyze and invest, I also had the opportunity, as part of my MBA summer internship, to work for an Advent portfolio company in Argentina. This experience contributed to the development of my operational capabilities."*

**Juliana Zapata**  
Vice President Bogotá Office



*"The Trainee Program offers a unique environment that encourages trainees to lead impactful projects within organizations and provides the opportunity to interact with and learn from experienced professionals early in their careers. It allowed me to graduate from a prestigious MBA program and afterwards contribute to a portfolio company's growth as a member of the management team."*

**Jean Pablo De Mello**  
CFO Lojas Quero-Quero

Our DEI activities, which are embedded in our talent programs, are focused on three areas: Advent Recruitment, Advent Culture and Development, and Portfolio Ecosystem.

The goal of our Recruitment activities is to increase awareness of private equity as a great career option for women and position Advent as the most desirable employer. The unique Talent program model attracts high potential female candidates to Advent and at the same time benefits our portfolio companies by bringing these talented candidates into the potential pipeline for leadership positions in management teams and boards. Since 2018, female membership in our investment team has increased from 6 percent to 27 percent. The junior deal team is 40+ percent female, which reflects the impact of our recruitment efforts.

In the Culture and Development pillar, we promote a culture that embraces diversity and inclusion within the firm and that levels the playing field for diverse team members. During 2021 we held training sessions on unconscious bias, mentorship, inclusive hiring, retention and inclusive culture. In addition, senior members of our investment team participated in events for local and regional private equity and women's advocacy organizations, e.g., recently Mauricio Salgar, a Managing Director in our Bogotá

Office, led a DEI panel for a LAVCA (Latin America Venture Capital Association) event, on how to increase the participation of women in private equity in Latin America.

Our Portfolio Ecosystem supports improving DEI at our portfolio companies in part by connecting Advent and our external ecosystem across the region. We have held best-practice sharing sessions leveraging our global Advent Connect platform, where executives from across the region can learn from each other and replicate good practices (e.g., C&IT shared their approach and results in August with -100 participants from our Latin American portfolio). We also encourage our companies, and push search firms, to increase diversity in the recruitment processes for portfolio company positions. During 2021, we hired four new female executives to join the C-Level, filled three Board of Director (BOD) seats with highly experienced and respected women, and had an IT female senior executive join an Advisory Committee in Mexico for Sophos Solutions, a Colombian IT Services company. We are also mapping top female executives in Brazil in conjunction with a leading search firm in the region, to build the pipeline for BOD and C-Level roles.

## Sustainability Resources for Portfolio Companies: DEI & TALENT DEVELOPMENT



The Paradigm team is comprised of award-winning experts in organizational behavior, people analytics, data science, psychology, sociology, strategic communications, change management, and employment law.



### PARADIGM Focus on Inclusiveness at Individual and Organizational Levels

To help our portfolio companies embed inclusiveness in their organizations, Advent has sponsored a North America-wide DEI assessment approach with Paradigm, a DEI strategy and training company with deep expertise. Our North American portfolio companies employ approximately 125,000 people. These businesses operate in various industries and have different team structures and internal resources. Advent sought a common approach that could be applied to every company.

The Paradigm team is comprised of award-winning experts in organizational behavior, people analytics, data science, psychology, sociology, strategic communications, change management, and employment law. After working with over 600 companies to design and implement diversity, equity, and inclusion (DEI) initiatives, Paradigm has powerful insight into what works to move the needle. Their impactful approach has been recognized in *The Atlantic*, *Fortune*, *Fast Company*, *The Harvard Business Review*, *The New York Times*, *TechCrunch*, and *The Wall Street Journal*.

Paradigm Blueprint assessments draw from multiple sources: formal practices, informal norms, and the resulting outcomes. The evaluation considers not only the inclusivity of organizational policies, but also the results of those policies and how they are incentivized, reinforced, and measured.

The data-driven analysis measures five areas Paradigm has found to be most critical to DEI and creating an inclusive work environment:

- **Talent lifecycle**
- **Employee experience**
- **External influence**
- **Leadership involvement**
- **Employee representation.**

Paradigm's Inclusion Quotient (IQ) - captures companies' internal impact on employees as well as their external influence on customers, vendors, communities, and peers. This data-driven approach enables companies to assess where barriers exist and prioritize the efforts that will have the most impact. Paradigm also provides expert resources to

help guide the implementation of recommended programs.

In the second half of 2020 and early 2021, Advent conducted Paradigm DEI assessments on 18 companies across its North American portfolio. Participants have benefitted from the consultants' insights, tools and practices to advance their own company-specific DEI programs. Each business identified and committed to make progress on prioritized action items. All participating North American portfolio companies will continue to report their progress annually to their respective boards of directors, informed by a template provided by Advent.



## Environmental: Managing Impacts

Meeting market demands in ways that avoid unnecessary impacts on the environment is becoming part of positioning one's brand and business for success. Advent portfolio companies implement innovative approaches to operational excellence as well as to improving their environmental profile. Calculating GHG footprints has become a strategic priority across many industries. Protecting biodiversity and restoring ecosystems has become a focal point as climate change mitigation efforts advance.



“We are passionate about promoting wellness, starting with the integrity of your hair and extending to supporting our communities and minimizing our impact on the environment, allowing us to drive social and environmental awareness in the beauty industry.”



### OLAPLEX

Founded in a California garage in 2014, in Santa Barbara, California, Advent portfolio company OLAPLEX recognized an unmet demand in the beauty industry to create highly effective products free of potentially hazardous substances, such as Parabens, Sulfates, Phthalates and Phosphates, found in many beauty and haircare products. Through its patented technology, OLAPLEX offers high quality products that help repair damaged hair and that are “cruelty free”, i.e., not tested on animals.

Beyond avoiding potentially hazardous chemical ingredients in its products, OLAPLEX’s corporate philosophy encompasses many dimensions of being a responsible corporate citizen. The company’s website encourages visitors to learn more about becoming “more eco-friendly consumers.” It advocates supporting “sustainable brands actively trying to make a difference” in other aspects of daily life, including food containers, reusable coffee mugs, and cleaning products.

OLAPLEX products are shipped without ‘secondary packaging’ – simply sending the product without a branded box inside a shipping box. By shipping in this way, the company estimates between 2015 to 2021 it has avoided the use of approximately 2.9

million pounds of paper packaging, which it believes prevented approximately 23 million pounds of greenhouse gas from being emitted into the environment, conserved approximately 37 million gallons of water and saved approximately 29,000 trees from deforestation, as compared to manufacturing, packaging and distribution alternatives that are typically used. The company continues to explore ways to reduce its carbon footprint and to contribute to a more sustainable future.

These efforts are well recognized in the industry, with OLAPLEX being one of only 21 haircare brands accredited with the “Clean at Sephora” designation as of June 2021.

**By shipping products without ‘secondary packaging’ OLAPLEX estimates between 2015 to 2021 it has avoided the use of approximately 2.9 million pounds of paper packaging**

## RUBIX

In 2020 Advent's leading B2B distribution portfolio company Rubix, developed a clear and compelling ESG strategy combined with a detailed operational roadmap and reporting commitments. By embedding sustainability in its business model and striving for best-in-class ESG performance, Rubix's approach will enable it to set ambitious net zero targets combined with commercial value creation opportunities.

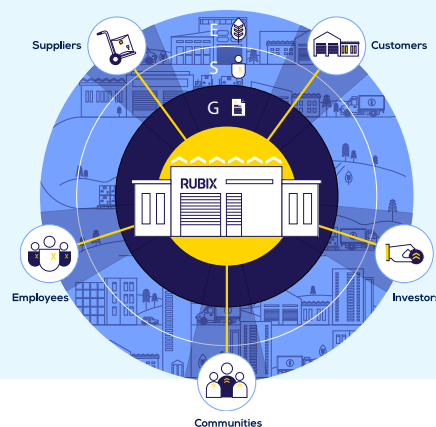
In its maiden ESG Report, Rubix outlines its road map for navigating regulatory requirements and aligning with international frameworks. Providing such transparency to stakeholders enables customers and others to understand the measured approach the company is taking to complying with international commitments and standards such as GRI, CDP, TCFD and SBTi and gives confidence that this commitment is embedded in its strategy.

Rubix has adopted a three-pillar strategy focused on working with its customers to reduce their environmental impact; reducing its own GHG footprint; and investing in its people. This approach recognizes and leverages core elements of the Group's established and successful value creation strategy growing service enabled revenues, digital penetration and continuous improvement.

As Europe's leading distributor of maintenance, repair and overhaul products, Rubix is well positioned to deliver solutions that improve the efficiency of its customers' manufacturing processes. Services comprise nearly 25 percent of Rubix's revenues and facilitate efficiency through offerings that include vendor managed inventory (to reduce among other things, the use and waste of single use products such as protective equipment); Insites™ (which help to optimize customers' on-site inventory so that fuel-consuming deliveries can be reduced); and technical services such as air leakage reduction and condition monitoring (which directly reduce GHG emissions in customers' operations).



Rubix's digital strategy incorporates elements of clear waste reduction and lower fuel usage



Rubix's digital strategy incorporates elements of clear waste reduction (through reduced uses of paper catalogues, which are endemic in the distribution industry) and lower fuel usage (through the Group's virtual-first sales operating model that maximizes the value of customer interactions while minimizing physical travel to customer premises by multiple technical specialists).

The Group's continuous improvement initiatives, established as part of its post-merger integration program, sits at the heart of reducing the GHG from its own emissions. These include group-wide energy and waste reduction through packaging redesign, lighting efficiencies and fuel use reductions by optimizing delivery schedules. As a result, the Group has been able to post impressive reductions in Scope 1 and Scope 2 GHG inventory since 2018, enabling it to set public targets as a precursor to more a more formal Science Based Target exercise.

Rubix recognizes data collection is key to its journey towards net zero, with operations across 22 countries and over 900 locations presenting a complex operational challenge. In 2021 the Group began work on a pilot to automate the collection of GHG data with third-party vendor Altruistiq. Altruistiq is building a digitally connected software platform and methodology to track and calculate Rubix's Scope 1, 2 and 3 GHG footprint more regularly than the current manual exercise. This will enable full scope 3 reporting for the UK business, enable product-level collaborations between upstream suppliers and downstream customers, and drive value-based decision making on initiatives such as internal combustion engine (ICE) vehicle swap-out.

Recognizing the global momentum towards national, regional and industry commitments to GHG reduction, Rubix is investing becoming more sophisticated at managing its GHG footprint and other environmental aspects, with a clear understanding of the competitive advantages that this will deliver.



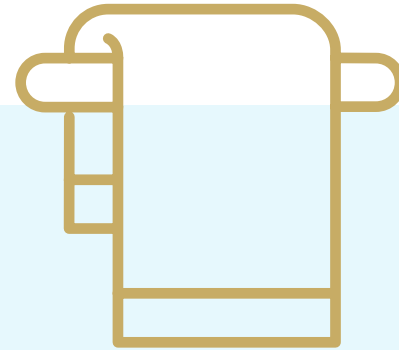
### AIMBRIDGE HOSPITALITY

Aimbridge Hospitality is a leading, global hospitality company offering best-in-class hotel management services across a broad spectrum of franchised branded full service, select service, luxury hotels, destination resorts, convention centers and lifestyle hotels. Aimbridge's premium portfolio represents approximately 1,500 properties in 49 states and 20 countries, including those in its pipeline.

Aimbridge is observing the increasing expectations around ESG in its marketplace as owners, brands and investors focus on sustainability. Marriott, Hilton and other brands whose properties Aimbridge currently manages have made commitments to reduce energy consumption and GHG emissions, among other goals, by 2030.

Aimbridge aims to demonstrate that it can be a partner in reaching its customers' goals and should be seen as a partner of choice for stakeholders focused on ESG performance.

At the properties it operates, Aimbridge supports implementation of brand standards and ESG initiatives in line with Marriott, Hilton, Choice Hotels, IHG and other brand programs. For the more than 650 properties that participate in Aimbridge's energy management program, energy usage and cost is tracked, and invoice recovery is increased/realized, making the properties more energy efficient and thus, more profitable. Additional measures can also help avoid unnecessary energy and water usage. For example, mandatory guest towel daily opt-in/out at the hotels can reduce energy usage. Likewise, Aimbridge is working with its chemical provider to reduce water usage.



The first step in helping customers achieve their GHG reduction goals is to measure one's own carbon footprint. To measure its own GHG footprint across its portfolio of properties, Aimbridge undertook an ambitious initial effort to calculate, or estimate where necessary, the GHG/carbon footprint of its properties. Comparing property size with energy consumption enabled Aimbridge to identify outliers that consumed much more – or much less – energy than the portfolio average. Building on its operational management expertise, Aimbridge is exploring the opportunity to help its property owners reduce energy usage, cost and greenhouse gas emissions, and may expand its environmental assessments to include water consumption and waste management, where applicable.

Leveraging these insights from across its 1,500 properties, Aimbridge can bring the experience of significant scale, ESG brand standards and environmental practices to owners across size, geographies and property type and class, making Aimbridge a more attractive prospective operating partner for owners. As Aimbridge advances its metrics around ESG influenced programs, it is committed to communicating the benefits these programs bring to its hotel owners, as well as its employees and the communities it serves.

Aimbridge is exploring the opportunity to help its property owners reduce energy usage, cost and greenhouse gas emissions.



## Case Study

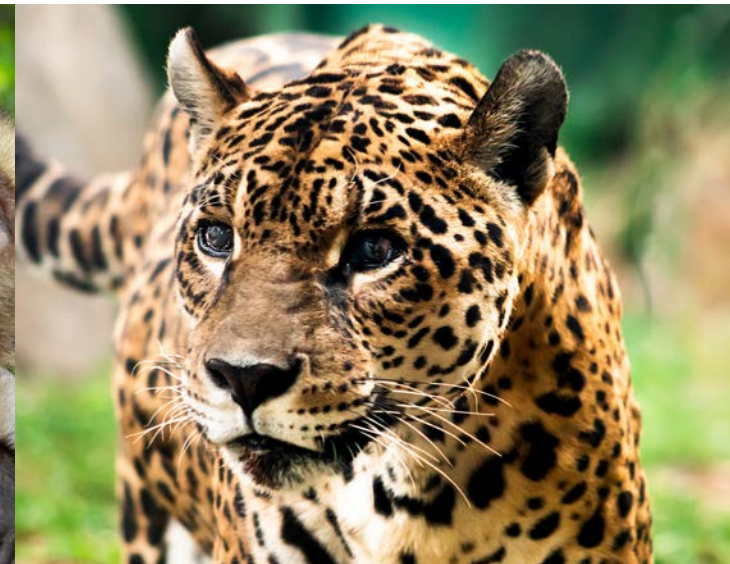
# UN DECADE ON ECOSYSTEM RESTORATION AND BIODIVERSITY 2021-2030 - GRUPO CATARATAS

In November 2020, Grupo Cataratas co-sponsored, with the UN Decade on Ecosystem Restoration 2021-2030 program, a 4-day Summit entitled “Together Preparing for the Decade on Ecosystem Restoration,” bringing together more than 70 internationally recognized experts and NGOs.

Sponsored by the Smithsonian Institution in the US and collaborating with well-known global NGOs, such as the World Wildlife Fund (WWF), the World Association of Zoos and Aquariums (WAZA), Convention on Biological Diversity (CDB) UN Environment Program (UNEP), this Summit helped create a coordinated network of biodiversity experts from around Brazil and abroad. Grupo Cataratas was uniquely positioned to bring these various groups together and facilitate coordination of research efforts to tackle various aspects of these challenges.

Brazil is home to some of the most biodiverse ecosystems in the world, such as the Amazon and the Atlantic Rain Forest, many of which are facing serious existential threats. Changes in the global environment threaten the ecosystems from which the fish, plants and animals come that are displayed at AquaRio. Protecting biodiversity is essential to Brazil's national parks and treasures, and to Cataratas.

Changes in the global environment threaten the ecosystems from which the fish, plants and animals come that are displayed at AquaRio.



## Case Study

# UN DECADE ON ECOSYSTEM RESTORATION AND BIODIVERSITY 2021-2030 - GRUPO CATARATAS

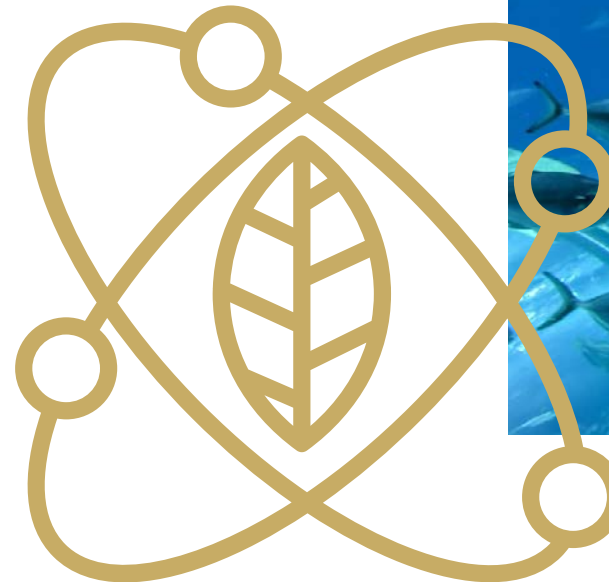
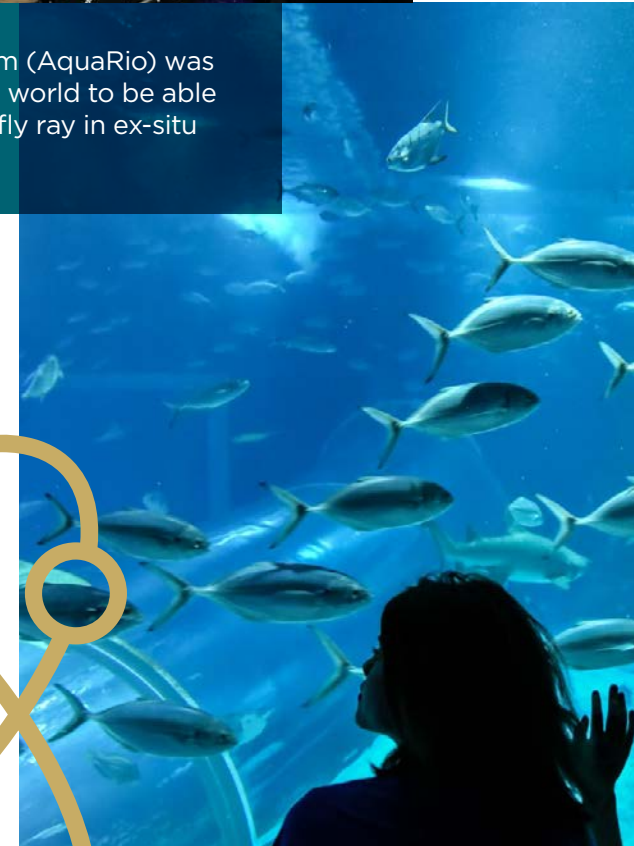
Grupo Cataratas, together with its non-profit research arm Instituto Conhecer para Conservar and its online platform Academia da Conservação, has a memorandum of understanding with the UN and a 3-year workplan to promote the UN Decade on Ecosystem Restoration. This effort pulls together groups from zoos, laboratories and national parks, studying jaguar mapping and habitats, ecosystem requirements, genetic composition, and ex situ (not in the wild) and in situ (in the wild) animals. Grupo Cataratas has been involved in successful efforts to reintroduce tapirs into their natural environment, known as re-wilding, over the past several years. Researchers at AquaRio have made advances in understanding the bleaching of coral reefs and ways of reversing this damage to central marine life habitats.

Methods of breeding fragile, critically endangered species in captivity and accelerating the growth of wild populations are being pioneered at both AquaRio - for zebra sharks, sand tiger sharks, and butterfly rays - as well as at Bioparque Rio (RioZoo) with the blue and yellow macaw, tapir and the Jaguar.

Butterfly rays (*Gymnura altavela*) are critically at risk in the wild, with only approximately 5 percent of their global population remaining. The Rio Marine Aquarium (AquaRio) was the first aquarium in the world to be able to reproduce the butterfly ray in ex situ (aquarium) conditions. At AquaRio in 2019, 5 butterfly ray pups were born, 3 males and 2 females, giving hope to goal of partially restoring this species in the ocean. These ex situ reproduction studies are a big step towards the conservation not only of the butterfly ray but also many other species of rays and sharks, as they make clear that successful reproduction projects area feasible. It is hoped that continued success will allow the construction of biobanks to conserve genetic material of the species.



The Rio Marine Aquarium (AquaRio) was the first aquarium in the world to be able to reproduce the butterfly ray in ex-situ (aquarium) conditions.



## Case Study

# UN DECADE ON ECOSYSTEM RESTORATION AND BIODIVERSITY 2021-2030 - GRUPO CATARATAS

Advent is proud to have won the Latin America Venture Capital Association (LAVCA) Environmental Deal of the Year award in 2020 for our investment in Grupo Cataratas.

# 10

The goal is to introduce 10 young birds each year for 5 years to establish a viable population



The arara canidé – or blue and yellow macaws – can be found from Central America to south-eastern Brazil, Bolivia and northern Paraguay, and is a species symbolic of the Brazilian cerrado. At certain times of the year, they migrate in search of food, traveling great distances of more than 30 kilometers (20 miles) a day. Because they primarily eat seeds and fruits, these macaws play a fundamental role in seed dispersal, which supports biodiversity, helping to balance the ecosystem and reforestation.

Due to wildlife trafficking, illegal hunting and habitat loss and fragmentation, the Canindé Macaw has become extinct in some areas of its original distribution, including in the Atlantic Rain Forest around Rio de Janeiro where it has been extinct in the wild for more than 200 years.

BioParque do Rio is currently carrying out the breeding stage of macaws for this project. In August 2021, nests were installed in the park's immersion area to raise baby birds, preparing

them for forest life, including finding food sources and avoiding threats from predators as well as powerlines. The macaw chicks born in BioParque do Rio will be monitored throughout their development, as embryos in the egg until they hatch. When they are mature enough, they will receive training before being translocated to the acclimatization enclosure in the Tijuca National Park. From there, they will be released into the forest.

The goal is to introduce 10 young birds into the wild each year for 5 years to establish a viable population of blue macaws in the Tijuca National Park by 2025 and serve as a model for future reintroductions of macaws into the Atlantic Forest. Visitors to Grupo Cataratas's BioParque do Rio can experience this project in person when they enter the blue macaw immersion enclosure where they will find about 50 pairs of the birds and dozens of nests produced especially for the reproduction of the blue and yellow macaws.

## Case Study

# NET ZERO COMMITMENTS AND HERMES UK

Hermes is one of the largest dedicated parcel delivery companies in the UK, delivering more than 650 million parcels per year. The business is effectively a platform connecting retailers, drivers, parcel shops and consumers in a four-sided marketplace. The value that Hermes creates is determined by the strength of the connections between the sides of the marketplace.

For Hermes, ESG is not a “nice to have”: it is essential to corporate strategy and the resulting success of the business. And it is rapidly becoming a license to operate in the logistics industry.

From the beginning, Advent has supported management in pulling together a holistic ESG program. With ownership from the Chief Transformation Officer and the newly hired Head of ESG, it is now at the heart of all Hermes' business priorities. As a foundational part of the company's ESG program, Hermes undertook its first ever “carbon footprint” exercise, to calculate how many metric tons of CO<sub>2</sub>-equivalent gasses (GHGs) were produced due to the company's operations last year. Hermes worked with a third party to establish its baseline carbon footprint (GHG inventory), which consists primarily of fuels consumed on site and in Hermes vehicles (Scope 1), electricity purchased (Scope 2) and emissions that are the result of activities from assets not

owned or controlled by the company, but that Hermes indirectly impacts in its value chain (Scope 3). For example, emissions associated with purchased good and services, transportation and distribution of company products, and employee commutes and business travel are all included in Scope 3 emissions according to global GHG accounting standards.

Through Advent's collaboration with S&P, the company was able to leverage S&P's ESG assessment process to gather key ESG information, benchmark performance against the industry and target the most strategically valuable aspects of its program. Hermes UK has a set of KPIs, targets and plans across five pillars of its strategy, E-S-G as well as Communications and Products, and reports to the executive-led



Hermes commits to being  
**Net zero by 2035**



## Case Study NET ZERO COMMITMENTS AND HERMES UK



Hermes' vehicle fleet is now  
**28% low carbon**

Transformation Committee and the board regularly to measure progress.

For Hermes, addressing climate change has become a customer relations and brand imperative, as global retailers and others are setting ambitious "net zero" goals to reduce and offset their emissions. Achieving net zero goals means reducing GHG emissions as much as possible and purchasing carbon offsets to "net out" the remaining emissions with carbon offset projects that absorb the same amount of GHGs the company is still emitting. When companies like Hermes' retail clients set net zero goals, this means they will aim to reduce their Scope 3 emissions, including those from supply chains. As a key player in the retail supply chain, Hermes recognizes that its clients' net zero goals will soon become their net zero goals. Hermes is committed to being part of their clients' solution.

On October 28, 2021, Hermes hosted a client conference, inviting 50 of the UK's biggest retailers to launch its ESG vision. Members of the Hermes senior team announced key targets,

including reaching net zero by 2035 for direct and indirect emissions and reducing energy consumption by 20 percent per parcel by 2030.

The company has also signed the UN Race to Zero Climate Pledge, invested in new ESG software and completed its first Scope 3 carbon assessment.

At the conference, Hermes also previewed new and pilot products such as Packageless, which minimizes GHG emissions and maximizes customer convenience. The company announced the expansion of its new Out of Home service and held an interactive workshop session on its new circular economy Takeback scheme that is in development.

Hermes has made rapid progress in its ESG performance over the last 12 months. Its fleet is now 28 percent low carbon, through a combination of electric vehicles and CNG (compressed natural gas) trucks, which increased from just 10 percent last year. It is aiming to increase this percentage further. The company's operations are also 100 percent



Digital calling cards reduced the number of printed paper slips by  
**66.2 million**  
in 2020

powered by certified renewable energy.

Hermes' digital calling cards reduced the number of printed paper slips by 66.2 million in 2020.

Hermes is continually improving its first-time delivery success using strategies such as enhanced tracking, geofencing tech and partnering with innovative addressing service what3words. Boosting first-time delivery accuracy means fewer delivery attempts and less time on the road.

Increasing the use of Out of Home locations, which enables that 'last mile' of delivery to be accomplished using its nationwide network of ParcelShops, lockers and Tesco convenience stores, is another part of Hermes' strategy. The lockers are provided by another Advent portfolio company, InPost. An Out of Home journey produces only approximately 25 percent of the GHG emissions associated with a typical home delivery using a van, truck or car.

Over the last year, Hermes' dedicated innovation team has launched initiatives such as Local to Local, using eCargo bikes, trialed successfully

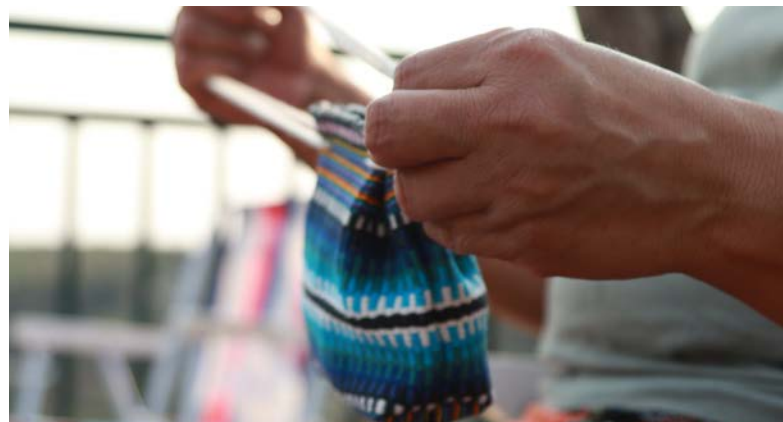
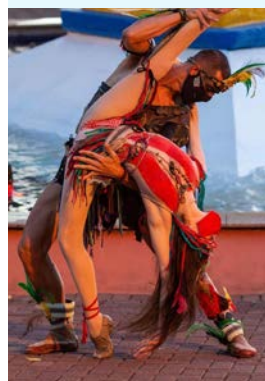
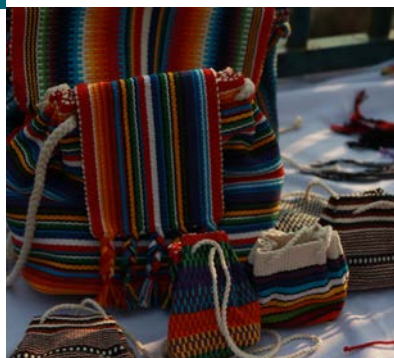
during lockdown in Leeds UK, to test commercial potential for a carbon-free Store-to-Door delivery while supporting local retailers hit by Covid restrictions. Street Portering is another successful initiative that is now being extended beyond London. Street Portering uses delivery on foot, which is carbon neutral, to reduce GHG emissions and vehicle congestion on the roads.

With Advent's support, Hermes UK has created an ambitious program that is expected to unlock huge value for the business and for all its stakeholders.



## Social: Focus on Stakeholder Relationships

Advent believes that engaging with employees, in the communities where we live and operate, and communicating with stakeholders contributes to the future success of our portfolio companies. Focus on DEI as a driver of stronger companies with more satisfied employees, better talent retention and improved decision-making. Broadening beyond their immediate imperatives, several portfolio companies are contributing to the longer term goals of their communities, including promoting financial education and inclusion, as well as supporting lower carbon Green Cities projects.



# 550

The company now works with a network of 550 small local suppliers

### GRUPO CATARATAS

Grupo Cataratas has developed a full suite of socially-focused initiatives, including employee development and talent retention, health and safety programs, customer engagement and satisfaction surveys, and a variety of initiatives aimed at strengthening and supporting the communities local to its operating locations.

#### Indigenous people's heritage

At its Marco das Três Fronteiras location, Cataratas has re-energized programs that feature the cultural heritage of a local indigenous group, the Guarani. The company has re-engaged with a theatre group of young artists - whose programming creates value by revitalizing indigenous culture and history as a socio-environmental asset. The company supports appreciation and preservation of Guarani indigenous culture and folk dance traditions through curation, funding and the generation of jobs and income for young local artists in daily shows for tourists of more than 170 nationalities.

#### Local suppliers

Grupo Cataratas has worked to reverse initial resistance in the local community over time since its involvement in the Foz do Iguacu operations. Recently, Cataratas has strengthened its local supplier network both by educating local farmers about sustainable

agriculture and increased efficiency and by directing much of its purchasing to local farms and suppliers, contributing to local economic well-being. The company now works with a network of 550 small local suppliers.

#### Revitalization of Social and Environmental Cultural Heritage

At Bioparque do Rio, the company is revitalizing the old Riozoo for a new zoo concept focused on education, research and conservation. In the revitalization works, in addition to the restoration of a run-down neighborhood in Rio de Janeiro, archaeological restoration and preservation of sites is being carried out. Bioparque do Rio is located on the grounds of the former imperial palace, in the Quinta da Boa Vista Park. This entire scientific and historiographical legacy is being donated to the municipality of Rio de Janeiro and the National Museum. Some of the sites being restored in connection with Bioparque do Rio date from the time of the empire, slaves and the experiences in Rio of the first naturalists such as Charles Darwin, Johann Baptist von Spix (for whom the endangered Spix macaw featured in Disney's film "Rio" is named) and Karl Friedrich von Martius. The former palace site thus has a special place in the history of the study of evolution, biology and biodiversity.

## OLAPLEX

OLAPLEX is an innovative, science-enabled, technology-driven beauty company. It has recognized the value of diversity since its founding by Dean and Darcy Christal in 2014. Including diverse opinions and experience helped create their amazing success. With 9 female and 2 male members of its Board of Directors, Olaplex has the most diverse board in the Advent portfolio.

Olaplex is invested in supporting the success of its community of hairstylists, which are also an integral part of its sales and distribution network. Small business owners comprise 98 percent of this community of hairstylist customers and a meaningful percentage of whom are racial or ethnic minorities. The company empowers its hairstylist community to connect with their salon clients and to champion the brand through an engaged and active social community.

Diversity, Equity, and Inclusion (DEI) differentiates Olaplex. When company employees reflect the diversity of its consumer community it reinforces both customer loyalty and the company's market intelligence. Many of our current Olaplex employees are former stylists with close ties to the hairstylist community. As of June 30, 2021, 77 percent of Olaplex's employees identify as female and 41 percent identify as non-white, whose unique perspectives and insights have helped us better

understand our diverse consumer base. This source of insight into consumer needs positions OLAPLEX to leverage its research and development platform to respond to consumers' demands for improved hair health by creating high-quality products that result in healthy, beautiful hair.

DEI initiatives at Olaplex focus on promoting a workplace of inclusion and acceptance. Evidence these long-term initiatives are successful can be found in the results of an employee survey from February 2021, which found 90 percent of its employees agree that they have an inclusive environment that makes them feel comfortable bringing their true selves to work. Going through the Paradigm assessment as part of the North American process illustrated the company's impressive performance and provided best practices to share with other companies.

In January 2021, the company established DEI Champions who reinforce our collective commitment to foster a diverse, equitable and inclusive culture. Their roles are to identify opportunities to further engage our teammates through training and education, encouraging candidate conversations and leading by example. The team is led by five individual volunteers across different departments and have a strong representation of race and sexual orientation.



**77%**  
of employees  
identify as  
female

**41%**  
identify as  
non-white



## Case Study ADITYA BIRLA



More than  
**6,100**  
farm families saw  
their average annual  
income grow



More than  
**2,500**  
women's "self-help groups"  
were established

### ADITYA BIRLA CAPITAL

Part of the Aditya Birla Group, India's Aditya Birla Capital Limited (ABCL) is committed to corporate social responsibility (CSR) and caring for underserved communities is part of the company's DNA. The company supports programs aimed at improving financial literacy across India and extending the reach of its micro lending programs in rural communities.

Financial inclusion helps reduce poverty. Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services – transactions, payments, savings, credit and insurance. Access to financial products gradually raises income and consumption of primarily low-income individuals and strengthens productive assets for the marginalized.

Via its subsidiaries, ABCL offers customized lending and financing solutions to small and medium enterprises (SMEs). Lowering the minimum loan and deposit thresholds enables expansion of these initiatives/products. A subsidiary, ABHFL, offers affordable housing finance solutions for the rural low income and self-employed. Supply chain finance (SCF) enables participation of micro, small and medium (MSMEs) suppliers. Often these suppliers do not yet have the financial skills,

or ability to offer collateral, to participate in the financial ecosystem of the rural Indian economy. Through a joint venture, the company contributed to investor and financial education by conducting more than a thousand digital investor education programs in FY 2021 that reached nearly 95,000 people.

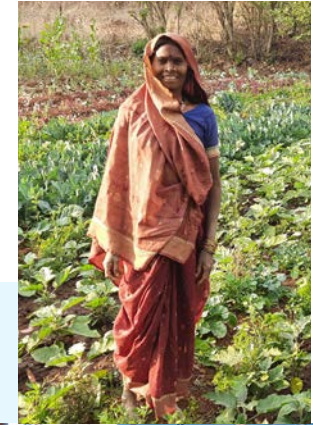
Financial literacy is recognized as a precondition for maintaining sustainable financial inclusion. Fewer than half of adults in India are considered financially literate – able to understand interest compounding, numeracy, inflation and risk diversification – according to S&P's Global Financial Literacy Report.

More than 2,500 women's "self-help groups" (SHG) were established and included topics such as financial training on managing SHG books, internal lending, credit appraisal, and bank linkages. More than 6,100 farm families saw their average annual income grow from Rs.30,970 to over Rs.60,000 with year-round food security. In a different region, ABCL contributed to financial education for more than 3,000 women from rural areas to promote understanding of formal banking and entrepreneurship.

## Case Study ADITYA BIRLA

These efforts led to the formation of 240 new self-help groups. Through initiatives in the tribal belts, approximately 11,300 women were able to improve their ability to make lace, supplementing their livestock-based value chain and increasing financial stability. Helping these women establish market linkages and ways of increasing production has benefited many rural families. In Madhya Pradesh, ABCL initiated measures that helped ensure food sufficiency for 16,000 farm households. Attaining UN Sustainable Development Goals, such as eradication of poverty and hunger, as well as promoting economic growth and jobs, depends on increasing financial inclusion.

**Mrs Rajashree Birl, Chairperson of Aditya Birla Centre for Community Initiatives and Rural Development, the strategic social initiatives arm of the Aditya Birla Group overall, explains the company's CSR vision** *"is to actively contribute to the social and economic development of the communities in which we operate. In sync with the UN SDGs our endeavour is to lift the burden of poverty weighing down the underserved and foster inclusive growth. In doing so, build a better, sustainable way of life for the weaker and marginalized sections of society."*





As part of the “Green City” agreement, in addition to building Automated Parcel Machines with electric car chargers, the company commits to increase its fleet of electric cars.



### INPOST

Logistics company InPost has begun implementing a novel concept that benefits customers, local governments, and improves the quality of life in the city by reducing vehicle traffic as well as air pollution. This partnership concept was launched in December 2020 and supports the “Green City Program” in Poland. There are now 10 Polish cities participating in this public-private partnership, illustrating how private companies can be an effective partner to the public sector in achieving public policy aims.

The participating city issues a land use permit to InPost to install a parcel locker location in exchange for the company’s investment in electric charging station infrastructure, making the city cleaner, greener and more efficient for residents. As part of the Green City agreement, in addition to building Automated Parcel Machines (APMs) with electric car chargers, the company commits to increase its fleet of electric cars within a certain period of time in order to support cities with their zero emission strategies.

Having this installed base of dedicated commercial grade charging capacity exactly where couriers will most need it will enhance the financial return on replacing the fleet of courier vehicles with electric ones. Being able to charge vehicles while at the parcel locker location will enable couriers to handle more delivery points without having to stop at public loaders or return to base. An InPost courier, using the parcel locker system, delivers as many as 1000 parcels during his working day, while a courier who brings parcels directly to customers’ homes delivers 75 of them on

average. While the courier completes the parcel locker with shipments, his vehicle will be able to be recharged at the same time. The more charging stations there are, the more sense it makes to have electric vehicles in the InPost fleet. And the charging stations will be available to the public for electric vehicle owners as well.

InPost has installed more than 15,000 APMs in advantageous locations in the city traffic flow, benefitting the city and residents with its convenience and the company’s growth strategy. It is cost effective to be conveniently located - and digital connectivity facilitates the whole process. The InPost Mobile application has more than 5.7 million active users.

The company is already building on the Green City concept, using key downtown parcel locker locations to enable official business to be transacted at “InPost 24hour Office” locations, in addition to regular parcel delivery services. With its 10 partner cities, InPost expects to launch a range of initiatives over the coming years focused on increasing consumer awareness and supporting local government improve the well-being of its communities.



A courier, using the parcel locker system, delivers as many as

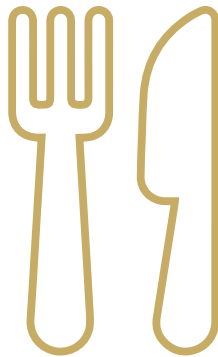
**1,000 parcels a day,**  
compared with an average of 75 parcels per day with courier direct home delivery

## Case Study

# FIRST WATCH #BEABETTERHUMAN

First Watch – the daytime cafe restaurant – has a simple mission statement: You First. The company has been very people-focused since its inception over 38 years ago.

In September 2020, First Watch launched a new campaign, branded #beabetterhuman, which has taken this people-focused approach to a new level. This campaign and the additional efforts it led to, combined with the company's response to Covid-19, have been remarkable. A little more than a year later, this group photo [right/above] shows team members from all over the country – from every level of the company – gathered in New York City for the company's debut on the NASDAQ stock exchange.



“Our managers have been with us an average of 5.2 years, area directors of operations have been with us an average of 10 years, and our RVPs (regional vice presidents) 14 years, so we tend to get the best and the brightest in our industry ... and, more importantly, they stay with us for a long time.” **Chris Tomasso** CEO, First Watch

In the early days of the pandemic, the company recognized the difficulty its employees were experiencing: health uncertainty, financial uncertainty and no clear end in sight. To mitigate the stress of those first difficult months, First Watch ensured employees had health insurance, telemedicine and were financially sound in spite of the lockdown-mandated restaurant closures. Within three days, the company secured free telemedicine for all employees and their family members and paid for ongoing insurance coverage for any furloughed employee. All employees with three or more years of service were offered \$250 in “relief” bonuses upon furlough to help with immediate needs and \$250 in “return bonuses” after they came back. All furloughed restaurant management and Home Office employees were provided with “make whole” payments after their return, representing the difference between their salary and what they received in unemployment benefits. And at the height of the labor shortage, restaurant managers were also provided with appreciation bonuses. While efforts like these made a positive difference, other stresses related to the pandemic remained. During lockdown, First Watch leadership called their employees every week to check in on a personal basis. The company also listened to messages from employees posted on social media and worked to respond to the issues/concerns expressed. Gestures like these have made employees truly feel valued and are a clear differentiator for the brand. When

lockdowns were lifted, 100 percent of First Watch's Directors of Operations returned to work, making preparations for reopening much faster and more efficient than most other restaurant chains.

The #beabetterhuman campaign grew out of the company's desire to put its commitment to social justice and diversity into action. In the wake of George Floyd's death, the leaders at First Watch wanted to speak up, take action and drive positive change. They quickly established their “7 Steps Toward Change” which included scholarships and recruiting partnerships with historically Black colleges and universities (HBCUs), unconscious bias training at every level of the company and a new, diverse “RISE” (Race Inclusion and Support Exchange) council. #beabetterhuman consisted of six live web series with training content and discussion and tackled sensitive topics in areas such as privilege and mental health. First Watch recognizes these efforts are just the initial steps in what will be an ongoing journey.

CEO Chris Tomasso explains, First Watch has “a turnover rate about 20 percent lower than the industry average for both hourly and managers. Our managers have been with us an average of 5.2 years, area directors of operations have been with us an average of 10 years, and our RVPs (regional vice presidents) 14 years, so we tend to get the best and the brightest in our industry ... and, more importantly, they stay with us for a long time.”

## Case Study

# FIRST WATCH #BEABETTERHUMAN

The company turned participation in #beabetterhuman into an opportunity for employees to give back to the community. For each employee that participated in all six #beabetterhuman web sessions, First Watch made a \$250 donation in their name to Bryan Stevenson's Equal Justice Initiative (featured in the book and film Just Mercy). The successful program continues, with an ongoing #beabetterhuman series on Facebook, Instagram, and Glassdoor highlighting diverse employees within the restaurants and their unique and inspiring stories. All of this is part of an ongoing effort to let the team know that the company was there for them, and was listening.

The Rising 20, another attempt by the company to listen to employees and drive a more inclusive culture, became an important component of the #beabetterhuman campaign and helped accelerate the development and advancement of minorities within First Watch. In this one-of-a-kind mentoring program, employees are partnered with an executive for a 6-month guided mentorship journey, targeting personal and professional growth. In addition to the assigned mentor, the program includes a self-assessment and career goal setting workshops. For the inaugural program, applicants submitted videos explaining why they wanted to participate and what the mentorship would mean to them. One of the individuals selected was a cook at the time she submitted the video. Now, 12 months later, she has been promoted twice and is now a General Manager. The company was honored to host her and other members of the Rising 20 in NYC to celebrate their IPO. First Watch views the program as a highly rewarding learning and development experience for both the mentee and the mentor. There is a long way to go in creating a truly

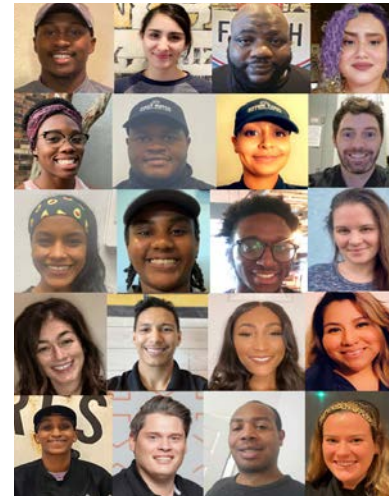
inclusive culture and the company plans to build on its learnings from these first experiences as its programs develop.

When Advent offered DEI assessments by Paradigm to its North American portfolio companies, First Watch's efforts were already in full swing. The assessment provided a rough data set from which to measure progress. First Watch has already incorporated several of Paradigm's "helpful and pragmatic" tools and suggestions into their recruiting process. The program offers a suite of tools the company can tailor for its own purposes to advance many aspects of employee engagement and DEI.

The company believes these efforts bolster the company's culture and You First mission and play a role in its higher retention of both employees and managers. Chief People Office Laura Sorensen emphasizes,

**"Each day we put our employees first. We recognize there is much more work to be done when it comes to the representation and advancement of minority groups within our restaurants and communities and look forward to leveraging these internal programs, along with Paradigm's tools and recommendations, to advance our efforts and results."**

The company's ethos of kindness and respect is also felt by its customers – a 2020 survey by Technomic reflected that 89.7 percent of First Watch customers felt they received respectful service – a win for all.



**89.7%**  
of First Watch customers felt they received respectful service



## Governance: Enhancing Governance through Expertise, Processes and Culture



Advent believes that good governance and oversight are essential to protecting the value we help create during our ownership phase. From robust cyber security, to DEI, to sustainability and ESG metrics, it is essential to build proper principles, policies, and programs, and to track data and maintain regular oversight.



With Hermes' new LifeStyle app, drivers can choose the delivery rounds they want to do and the company can manage its delivery demands flexibly.

### HERMES UK - FOCUS ON STAKEHOLDERS

Large retail clients, individual consumers, landlords who own parcel shops and lockers, and the vast network of 33,000 self-employed couriers are all essential to the success of Hermes, the UK's largest dedicated parcel delivery company. As it has grown, the company has created thousands of jobs in its offices, in depots, warehouses and as delivery drivers across the UK.

To actively promote the wellbeing and positive work experience of its couriers, Hermes pioneered offering benefits and other advantages to its self-employed partners starting in 2019 in partnership with the GMB Union. Now, it is actively working on the next wave of improvements to the driver experience.

Making flexible economy jobs possible for more than 30,000 people involves creatively working with a variety of working preferences. Many drivers choose to be self-employed so they can exercise more control over their working hours, balancing income with childcare, elder care or other obligations.

Since the beginning of the global pandemic, delivery drivers have become important familiar faces for some of those customers who rely on deliveries for many of their regular household needs as well as being their only regular human

interaction for the elderly. Special relationships have developed for some who have gone above and beyond to support their local communities. For example, during lockdown an eight year-old girl, whose mother received regular Hermes deliveries, learned sign language so she could say hello, good morning and have a good day to their regular Hermes delivery person, Tim, who is deaf. In another instance this year, a delivery man helped deliver a baby when he arrived at a home just as the mother-to-be, who was home alone, started going into labor.

With Hermes's new LifeStyle app, drivers can choose the delivery rounds that suit their schedules, and the company can manage its delivery demands flexibly. Couriers can book vacations or respond to family needs and quickly find substitute drivers for their routes. A GeoFencing app streamlines the "final mile" experience, helping the couriers find delivery locations as accurately as possible. This streamlining reduces misplaced parcel issues, increasing their productivity.





## SERTA SIMMONS

Serta Simmons Bedding (SSB), one of the largest manufacturers, marketers and suppliers of mattresses in North America and owner of the Serta, Beautyrest, Simmons and Tuft & Needle brands, employs nearly 5,000 people in 27 plants and three corporate offices across the US and Canada.

In the summer of 2020, in the wake of George Floyd's death, mass protest movements in the US drew attention to the legacy of racism and what many perceive as stagnation in developing opportunities for people of color. While the company has maintained diversity policies for years, it decided to take a different kind of action.

Focusing on the "inclusion" dimension of "Diversity & Inclusion", the company took steps to understand how inclusion was functioning as a factor in employee satisfaction, engagement, and retention. With a workforce that is approximately 30 percent female and 60 percent people of color, they recognize that inclusion is a key factor in employees' wellbeing and commitment to the company.

SSB initiated a "listening" strategy that explored the question of "what inclusion – or exclusion – feels like to you." Building on the idea that every person – regardless of majority

or minority status in terms of gender, race, religion or other characteristics – has experienced both inclusion and exclusion in his, her or their life, these listening opportunities welcomed the experiences of everyone. SSB's emphasis on building from shared human experience – and explicitly including the whole community – sets it apart. Through these listening sessions, the company heard what "inclusion" or "belonging" feels like, or would feel like, to its people.

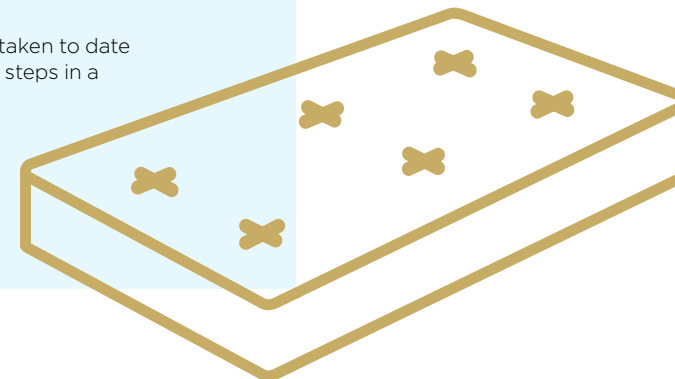
The company began to challenge its thinking and pressure test business practices to closely examine ways of working and collaborating with one another. They introduced a new kind of training experience and launched a series of actions including a "Lessons Learned" series. In this series, team members and others from outside the organization share best practices, raise awareness and create connections, across all levels and functional areas. In addition, SSB launched its first ever Employee Resources Groups (the Black Employee Network and Women of SSB ERGs), introduced their first ever "Inclusion in Action" scholarship and internship and initiated a partnership with Year Up, hiring young adults within inner cities to provide job-ready skills training and real-world corporate experience.

As the VP, Organizational Excellence described it,

**"Our team says it's not just being invited to the party, and being asked to dance, as Verna Myers states. It's about having the DJ play the music that you know and enjoy. Every single one of us plays a role in this experience."**

Building on this strong foundation of communication and culture of inclusion, the company is raising awareness and incorporating a "sense of belonging" across their talent experience. Key elements of SSB's strategy are based on the five dimensions of inclusion designed by the DEI experts at Paradigm: employee experience, talent lifecycle, external influence, leadership involvement, and employee representation.

SSB is excited about the actions taken to date but recognizes they are only first steps in a long and important journey.





### SALT SECURITY

As the global economy becomes increasingly fast and interwoven, Advent is investing in companies enabling this mega trend and those helping manage the risks inherent in building this complex digital universe. A recent Advent minority investment, Salt Security ("Salt"), based in Israel and Palo Alto, CA, focuses on securing today's digital economy. Governance of data security and customer privacy facilitates the transformation of global businesses and is an increasingly important area of value preservation.

#### Salt Security's Vision: To accelerate business innovation by making APIs attack proof

Companies with digital interconnectivity use Application Programming Interfaces (APIs) to share data and enable connected services. These APIs are the "messengers" that communicate requests and carry information to and from different companies' software applications. The rapid proliferation of APIs as companies digitize, along with the broad landscape of API design patterns and API consumer types, complicates security requirements for organizations. APIs are difficult to protect because every API is unique, and therefore every API attack is unique. Malicious actors are increasingly targeting APIs because they know the defenses are weak and that APIs provide the direct path to companies' crown jewels. These threats are increasing as organizations use more APIs than ever, and those APIs are more capable than ever.

#### Salt Security's Mission: To deliver the simplest, most comprehensive, and most effective API security by tapping AI and big data

Traditional methods of defending against application attacks cannot protect against API attacks. Web application firewalls (WAFs) and API Gateways, for example, have been in use for years and continue to increase in effectiveness. These devices lack the ability to discover all APIs and connect correlate activity over time, which is crucial to finding and stopping API attacks.

Salt Security takes an entirely different and innovative approach by integrating seamlessly into an organization's application environments to capture a copy of API traffic. It feeds all that data into a big data engine and applies machine learning (ML) and artificial intelligence (AI) to build a rich understanding of the API traffic. The platform baselines "normal" traffic and can then easily discern anomalies. It can then further distinguish between anomalies that are simply user error or a changed API vs. an API attack. Salt also provides insights into API security vulnerabilities so that organizations can update their APIs to reduce risk. Salt applies this approach throughout a customer's environment rather only at the perimeter.

Salt has been in market for several years, so its algorithms have learned from 100s of deployments. Salt is rapidly evolving its

capabilities, which are flexible and adaptable to many kinds of businesses to address new and emerging kinds of threats. Salt enables companies to take a proactive approach to cyber security governance best practices and better protect their most vital data and services.

"The rapid proliferation of APIs has dramatically altered the attack surface of applications, creating a major challenge for large enterprises since existing security mechanisms cannot protect against this new threat," said Bryan Taylor, managing partner and head of Advent's technology team in Palo Alto. "We continue to see API security incidents make the news headlines and cause significant reputational risk for companies. Salt quickly stood out to us as a leader in helping companies defend themselves against these new attacks, and we are excited to partner with them in this mission."

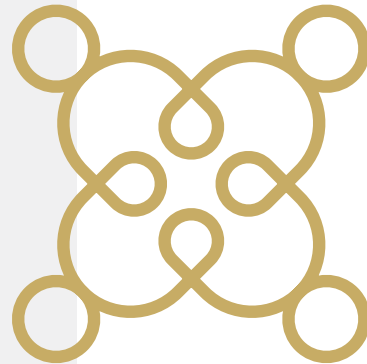




## Case Study

# AIMBRIDGE HOSPITALITY

Aimbridge Hospitality is a leading hotel operator in North America with more than 1,500 properties and 35,000 employees representing myriad brands and hotel owners across the globe. Their long-running success has been due, in part, to their ability to adapt and evolve their strategy in support of the wide range of property types in their ever-expanding portfolio.



In 2021, Aimbridge leadership focused on internal programs, processes, and strategies designed to embed best-in-class DEI practices into the fabric of the Aimbridge culture and further solidify its standing as an employer of choice. Advent leaned in to support the process with its DEI partner, Paradigm, which conducted an assessment to identify strengths and gaps of the company's current initiatives.

As a result of the Paradigm assessment, Aimbridge introduced the role of Senior Vice President of Belonging, Inclusion & People Strategies in spring of 2021, putting DEI on the same level as other key strategic imperatives for the company. The primary focus of the role is building momentum around the company's commitment to fostering a culture of diversity, inclusion, belonging and social responsibility at all levels. Everyone in the company has a role to play.



## Case Study

# AIMBRIDGE HOSPITALITY

While the company is still early in its journey in educating its employees and leadership about the importance of DEI in achieving its corporate goals, it is developing awareness and implementation tools to address gaps in its current status and metrics to evaluate progress.

New programs underway include:

- **Employee Resource Groups**

A recent employee survey gauging associate interest in a participating in an expanded variety of ERGs is underway. Early response rates are promising and there are plans to introduce as many as six new ERGs in the coming year.

- **Supplier Diversity**

Plans are underway to launch a formal supplier diversity program in early 2022.

- **Communications Campaign**

The soon-to-be-launched We CEE You! Campaign will focus on “Conversation, Education, and Empathy” and will comprise multiple sub-campaigns and programs all aimed at making associates feel connected – to one another, to the organization, and to the mission.

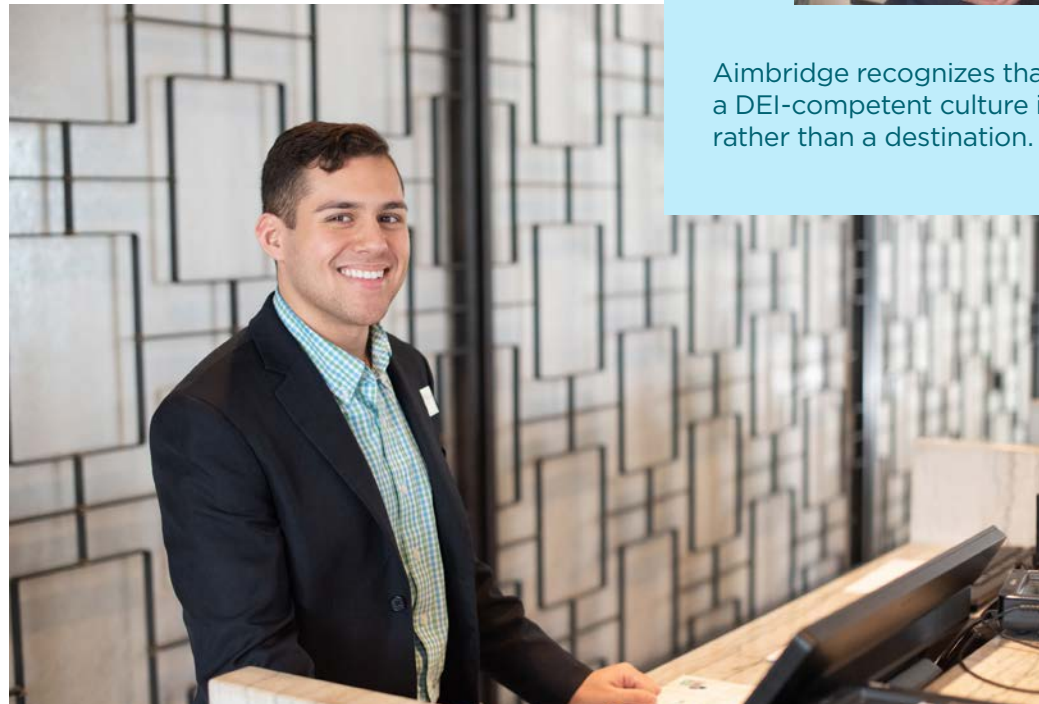
- **Education**

DEI training will be rolled out across the company, for both corporate and operations employees. With the tools provided by Paradigm, the company will be able to target and hone its ability to be more effective and move the needle more quickly.

Aimbridge recognizes that creating a DEI-competent culture is a journey rather than a destination. Ultimately, the goal is to create an agile strategy that evolves along with the needs of its associates and that enables the business to harness the collective power of the rich diversity represented in both its marketplace and employee population.



Aimbridge recognizes that creating a DEI-competent culture is a journey rather than a destination.



## Case Study INNIO - TOGETHER FOR A SUSTAINABLE FUTURE



INNIO, headquartered in Jenbach, Austria with primary operations also in Welland, Ontario, Canada, and Waukesha, Wisconsin, U.S., has put in place its first company-wide sustainability governance structure, to actively respond to climate challenges and support corporate strategy moving forward.

Recognizing shifting customer preferences that include ESG performance, as well as evolving competitive landscape and regulatory requirements, INNIO set in motion processes to evaluate its maturity on sustainability and work to advance its programs.

In early 2021, the company's Jenbacher business earned a Silver Medal in the EcoVadis sustainability evaluation



In the fall of 2020, INNIO established a cross functional Sustainability Review Board, including business leaders from communications, marketing & sales, regulatory, engineering, R&D, manufacturing, HR and chaired by the Head of Compliance and Sustainability. This board reviews strategic priorities, market and regulatory trends, data collection and communications related to sustainability - including the company's new "Bold Sustainability Goals". Some of INNIO's long-term aspirations include the provision of industry-leading technology and highly efficient energy-conserving products to enable energy transition, as well as best in class efficiency practices in facilities management, and near-zero emission levels in society and the environment.

In early 2021, the company's Jenbacher business earned a Silver Medal in the EcoVadis sustainability evaluation and further partnered with EcoVadis to assess its own supply chain so to manage risks, opportunities and environmental profile across supply chain going forward.

Sustainability topics from Diversity & Inclusion to GHGs have become important in the way stakeholder groups from employees to customers to local government choose to interact with many companies.

INNIO's executive team gathered in April 2021 to participate in a facilitated Materiality Workshop to discuss, agree and prioritize the sustainability material issues most significant for the company's future. INNIO's President & CEO, together with the Sustainability Review Board, held the first ESG Strategy & Commitment meeting. The panel included INNIO's senior executives and expert stakeholders, such as business ESG consultants with deep understanding of the business and industry as well as insight into the various aspects of sustainability. As part of the preparatory research, the INNIO team studied multiple international frameworks (including SASB, GRI, and the UN SDGs), industry peers, the media and several industry associations to compile an initial, extensive set of potential topics for INNIO. This initial set of issues included 55 interrelated ESG topics, which then were refined and clustered. INNIO's C-level executives were asked to review each clustered material topic and provide their perspective and collate information on the relevance of each topic. Their perspectives then were discussed during the meeting, where participants were asked to list the topics they considered to be most substantial. The outcome was 13 significant areas, which then were classified into four themes — Long-term Value Creation, People and Communities, Operations, and Climate and Natural Capital.

# Case Study INNIO - TOGETHER FOR A SUSTAINABLE FUTURE

The 13 significant areas were organized into a materiality matrix by INNIO's Sustainability Review Board, with issues positioned to show importance to stakeholders against potential business impacts. Prioritization was based on the economic, environmental, and societal importance to the business, as well as to the various stakeholder groups across our value chain. The results of INNIO's materiality matrix were confirmed by key internal audiences for validation and finalization.

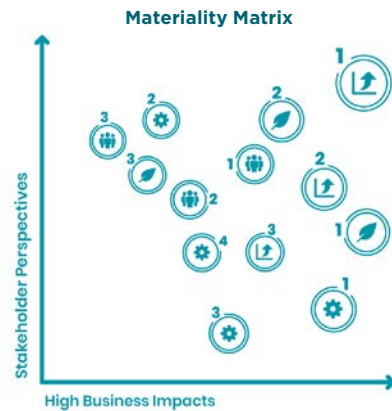
Another significant milestone completed in 2021 was INNIO's company-wide GHG footprint including scope 1, 2 and elements of scope 3.

To make the efforts measurable and impactful, the company's Bold Goals, its material issues, and strategic objectives have been aligned with the UN Sustainability Goals and the UN Global Compact, which INNIO officially joined as participant in July. INNIO subsequently signed on to Science Based Targets and "Race to Zero" initiative in late September 2021.

INNIO's sustainability report "Together for a Sustainable Future" details how INNIO's portfolio of products supports the transition to a low carbon economy for its customers' value chains. It highlights innovations that provide fuel flexibility for its engines to 'future-proof' the investment for its customers, as the global economy enters a phase of more rapid transition to efficiency and changing fuel usage.



INNIO is poised to measure progress and communicate its process with stakeholders through its Sustainability Report and other means.



INNIO is an innovator and an integral part of the energy transition. Currently the use of combined heat and power (CHP) generation with gas engines offers a CO<sub>2</sub> reduction of more than 30 percent compared to generating electricity and heat separately. Additionally, CHP provides overall efficiency levels of 90 percent and more. While INNIO is among the industry leaders in CHP, it continues to identify and deliver technologies that reduce carbon emissions even more, such as hydrogen.

INNIO's technological progress and search for solutions for a climate-neutral, greener and safer energy future drives it to be a key enabler in the transition to deliver carbon free heat and power. Among the leaders in the industry, INNIO has announced the first "Ready for H<sub>2</sub>" product portfolio in the power generation range from 200 kW to 10.4 MW. Engines fueled by green hydrogen, H<sub>2</sub>, produced in a carbon neutral way, hold the promise of zero-carbon impact.

With INNIO's extensive range of innovative and fuel-flexible Jenbacher gas engines - which can be operated with renewable bio gases, natural gas, or hydrogen-rich fuels - INNIO's role is to pave the way for a greener energy future for customers worldwide. The company is well positioned to commence the S&P Sustainable1 ESG assessment to learn from the roadmap to excellence and evaluate its performance against peer company benchmark performance and best international standards.

With executive team alignment, clear strategic priorities and baseline data on its overall sustainability performance, INNIO is poised to measure progress and communicate its process with stakeholders through its Sustainability Report and other means.

## ADVENT LEADERSHIP: SUSTAINABLE MARKETS INITIATIVE

Advent believes that private equity has a unique role to play as responsible investors in effecting the changes necessary to accelerate the transition to a more sustainable future. In keeping with this belief, Advent is an active participant in the Sustainable Markets Initiative (SMI).



The SMI was launched at the World Economic Forum in Davos, Switzerland in 2020 and is sponsored by The Prince of Wales. This initiative aims to engage and challenge public, private and philanthropic sectors to bring economic value in alignment with social and environmental sustainability. It brings together CEOs from a number of the world's largest industries as members of sector-focused SMI taskforces, to work on meaningful and actionable plans to drive change.

Advent is pleased that James Brocklebank, a Managing Partner based in London, was asked to take on the leadership role of coordinating and chairing the Private Equity Sustainable Markets Initiative Task Force (PESMIT) in 2021.

The task force brings together the first ever private equity CEO working group of 19 peer firms. This "Coalition of the Willing" will identify and align on ways in which private equity can effect change as an industry.

PESMIT's collective reach spans \$1.5 trillion AUM, approximately 2,000 companies and more than 4 million employees worldwide. By harnessing this collective reach and leveraging our operational influence across our portfolio companies, private equity is uniquely positioned to help accelerate the transition to a more sustainable future.

## ADVENT IN THE COMMUNITY

More than  
**66,000 families**  
in São Paulo received a food and hygiene basket donated by Advent

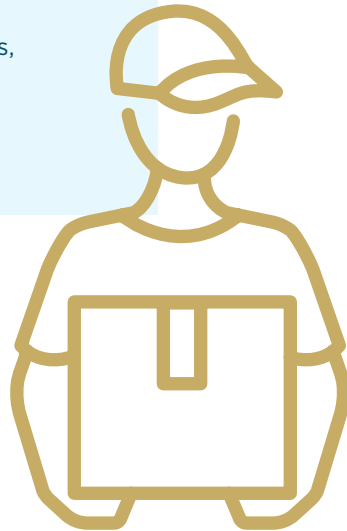


### ADVENT GLOBAL RELIEF FUND (AGRF): BRAZIL AND INDIA

#### AGRF Contributions in Brazil

In 2020, Advent International partnered with its portfolio companies in Brazil and several NGOs to provide much needed relief to local communities.

In early 2021, Latin America experienced a second wave of the Covid-19 pandemic. Advent decided that, through the AGRF, it would make another round of donations to Indian and Brazilian NGOs. The São Paulo AGRF team selected four charities, three of which were recipients in 2020 as well.



The AGRF contributed to the Luz Alliance Fund in 2020 and 2021. In 2021 they received a donation of nearly \$90,000 USD for emergency response efforts. The fund channels donations through several other NGOs, allowing thousands of families to receive aid in the form of food baskets, hygiene kits and meals during the pandemic in Brazil. Eight NGOs were selected in Rio Grande do Sul and Ceará – the state with the most Covid cases – to receive resources through the fund.

A donation of \$740,000 USD was made to Beta Lab Mobilidade Social e Geração de Renda (União SP), an organization that has worked effectively to mitigate the pandemic's impact in communities in the state of São Paulo. In coordination with the state government, municipalities and nonprofit organizations, União SP purchased food and hygiene and cleaning products for families in vulnerable communities. More than 66,000 families in São Paulo received a basic basket donated by Advent.

During the second wave of the coronavirus pandemic, SITAWI Finanças do Bem received a donation of \$110,000 USD. SITAWI channels donations within its network of 113 nonprofit organizations, reducing the negative impacts of the pandemic on communities through prevention and awareness. SITAWI's focus is organized into three pillars: food security, health and prevention, awareness and communication.

Amigos do Bem Instituição Nacional Contra a Fome et a Miséria received a donation of \$185,000 USD in 2021, supplementing Advent's previous support for the organization. Amigos do Bem aims to transform thousands of lives in the poorest communities in northeast Brazil through ongoing projects focused on education, income generation, access to water, housing and health. This organization is working to break a centuries-old cycle of misery in rural and remote areas. More than 75,000 people in the hinterland of Alagoas, Pernambuco and Ceará, northeast Brazil are impacted by the work of Amigos do Bem and more than 10,000 children and young people already see a different future as a result of their work.

## ADVENT IN THE COMMUNITY



### AGRF Contributions in India

The Advent Global Relief Fund (AGRF) committed funds to a wide range of relief programs in India – both directly and through our portfolio companies in spring 2020.



Resources were quickly mobilized to enable the donation of **18,720 liters** of emergency oxygen to hospitals across India

The AGRF committed funds to a wide range of relief programs in India – both directly and through our portfolio companies in spring 2020. The AGRF contributed to charities including Akshaya Patra, Seeds India, Arpan, and Purple and supported the families of its portfolio company employees, who had lost their lives to Covid-19. In addition to the support provided in the first months of the pandemic, the AGRF also supported Give India, the United Way of Bengaluru and Seafarer.

In 2021, India experienced a second major wave of coronavirus infections starting in mid-March. Within several weeks, India's daily infection rate increased to more than 300,000 cases. Hospitals were overcrowded and many patients had to be turned away. Oxygen was desperately needed to help patients breathe as they fought the effects of the virus. Without this essential supportive therapy, many people died who might have survived if they had had sufficient oxygen. Because of this shortage of oxygen, the AGRF partnered with larger NGOs with key

The AGRF sponsored full vaccination for 3,000 contract workers to protect them, their families and their coworkers

sourcing connections that could help facilitate investment in healthcare system infrastructure.

The AGRF quickly mobilized resources to enable the donation of 18,720 liters of emergency oxygen to hospitals across India.

In addition to providing immediate relief, the AGRF invested in health system infrastructure that can better meet these needs on an ongoing basis. For example, 10 oxygen generating plants with 1.8 million liters daily generation capacity across 10 Indian states. These investments have enabled 10 key hospitals to produce their own oxygen onsite to serve their patients.

The AGRF resources also equipped portfolio companies with oxygen concentrators which have a cumulative capacity of 200,000 liters of oxygen daily. For contract workers at one of our portfolio companies, remote work was not possible, as they are directly involved in the manufacturing process, including hand sanitizer and other healthcare-related products. In addition to mandating social distancing and altering production schedules in the manufacturing plant, the AGRF sponsored full vaccination for 3,000 of these workers to protect them, their families and their coworkers.

For approximately 150 portfolio company employees, the AGRF supported them during times of hospitalization or when under required quarantine. At one of our portfolio companies in India, 20 employees lost their lives to Covid-19 during this intense second wave. The AGRF provided roughly the equivalent of 4 years of the workers' earnings to the families of these 20 employees, so their families could continue with their children's education and other priorities.

## GLOSSARY OF FREQUENTLY USED ABBREVIATIONS & TERMS

<b>BOD</b>	Board of Directors
<b>CIO</b>	Chief Information Officer
<b>CISO</b>	Chief Information Security Officer
<b>CSA</b>	Corporate Sustainability Assessment
<b>DEI</b>	Diversity, Equity and Inclusion
<b>ESG</b>	Environment(al), Social, Governance
<b>GHGs</b>	Greenhouse gasses. Gases that trap heat in the atmosphere are called greenhouse gases. <sup>1</sup> These include carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O) and fluorinated gasses. Each of these gasses has a different “warming potential” effect in the atmosphere. As a result, GHGs are measured most commonly in terms of the “CO <sub>2</sub> -equivalent” (CO <sub>2</sub> -e) warming potential so the collective effects of the gasses emitted can be measured in a single unit of measure, for comparability. <sup>2</sup> For example, according to the UN Framework Convention on Climate Change (UNFCCC), methane (CH <sub>4</sub> ) has a global warming potential that is 56 times that of CO <sub>2</sub> over the first 20 years in the atmosphere. For the same time horizon, nitrous oxide (N <sub>2</sub> O) has a warming potential 280 times that of CO <sub>2</sub> . <sup>3</sup>
<b>GHG Emissions Inventory</b>	A greenhouse gas (GHG) inventory is a list of emission sources and the associated emissions quantified using standardized methods. Corporate GHG inventories quantify the amount of GHGs a company emits into the atmosphere, typically over a calendar year, and are critical management tools for companies of all sizes and sectors. GHG emissions associated with company activities are classified as being: Scope 1: Direct emissions Scope 2: Indirect emissions Scope 3: Emissions resulting from activities and assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain.
<b>GRI</b>	Global Reporting Initiative

<b>Net zero</b>	Net-zero refers to balancing the amount of emitted greenhouse gases with the equivalent emissions that are either offset or sequestered. Corporate net zero goals usually entail reduction of GHG emissions as far as possible and then ‘offsetting’ the remainder with projects or activities (or carbon offset credits from these projects or activities) that carbon from the atmosphere, such as carbon sequestration in forestry projects. <sup>4</sup>
<b>NGO</b>	Non-Governmental Organizations
<b>SASB</b>	Sustainable Accounting Standards Board
<b>SBTi</b>	Science Based Targets initiative
<b>Scope 1, 2, 3 GHG Emissions</b>	See GHG Emissions Inventory
<b>SME</b>	Small and medium enterprises
<b>TCFD</b>	Task Force on Climate Related Financial Disclosures
<b>UNGC</b>	United Nations Global Compact
<b>UN SDGs</b>	United Nations Sustainable Development Goals



<sup>1</sup> <https://www.epa.gov/ghgemissions/overview-greenhouse-gases>

<sup>2</sup> <https://www3.epa.gov/carbon-footprint-calculator/tool/definitions/co2e.html>

<sup>3</sup> <https://unfccc.int/process/transparency-and-reporting/greenhouse-gas-data/greenhouse-gas-data-unfccc/global-warming-potentials>

<sup>4</sup> <https://netzeroclimate.org/what-is-net-zero/>