

Responsible Investment Policy

1. Background and Purpose

Responsible investment practices have been integral to Audax Private Equity's (Audax) investment strategy, diligence, and ongoing portfolio governance workflow and deeply embedded within its culture since the firm's founding. Audax believes that maintaining sound responsible investment practices enhances our ability to build better businesses and create value in partnership with management teams.

Consistent with these beliefs and approach, Audax is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and the Institutional Limited Partners Association (ILPA) Diversity in Action, as well as a member of the International Financial Reporting Standards (IFRS) Sustainability Alliance (formerly known as SASB Alliance).

This Policy is intended to guide Audax' consideration of material environmental, social, and governance (ESG) factors in due diligence and investment monitoring to the extent reasonably practicable. For the purposes of this Policy, "material" ESG factors are defined as those ESG factors that Audax Private Equity, in its sole discretion, determines have, or have the potential to have, a direct and substantial impact on a respective Portfolio Company's ability to create or preserve economic value and/or reputational risk for Audax.

2. Scope

This Policy applies to business activities and investments undertaken by Audax Private Equity. It is intended to guide our approach to integrating consideration of ESG factors into our investment processes such as investment screening, due diligence, monitoring, and portfolio engagement. In situations where we are non-control investors and may have limited ability to influence the integration of ESG considerations in an investment, we aim to identify and elevate material concerns to management and/or the Board of Directors.

3. Responsible Investment Principles

Our primary objective as investors is to generate attractive, risk-adjusted returns for our limited partners. Our investment strategy is grounded in responsible investment principles to support this mission to create enduring value for our stakeholders. Our responsible investment approach aims to:

1. Consider relevant environmental, safety, and social factors associated with target companies when evaluating whether to invest in a particular company or entity, as well as during our holding period. We leverage third-party resources such as the IFRS's SASB Standards to help inform our understanding of ESG risks relevant to the target company's industry.
2. Seek to grow and improve the companies in which we invest for long-term sustainability and to benefit multiple stakeholders, including on environmental, social, and governance factors, through Board participation, where available.
3. Attract, develop, and support high quality talent from the broadest universe possible, and nurture a culture of inclusiveness that enables team members of different genders, races, ethnicities, sexual orientations, and social backgrounds to contribute and excel.

4. Remain committed to compliance with national, state, and local labor laws with respect workplace safety, data privacy, and cybersecurity, and to respect internationally recognized human rights principles.
5. Maintain policies that prohibit bribery and other improper payments to public officials consistent with the U.S. Foreign Corrupt Practices Act.
6. Provide timely information to our limited partners, and work to foster transparency about our investment activities.
7. To the extent practicable, encourage portfolio companies to advance these same principles in a way that is consistent with their duties to stakeholders.

Our principles are informed by the Private Equity Growth Capital Council Guidelines for Responsible Investment, the Ten Principles of the UN Global Compact, and the UN Principles for Responsible Investment.

4. Responsible Investment Process

Pre-acquisition, Audax aims to exclude investments that are inconsistent with the Firm's values, such as investments in products and services that are illegal or that we believe harm societal welfare. Audax refrains from making direct investments in alcohol, tobacco, gambling, and pornography. We also aim to exclude investments that pose significant ESG risks unless we believe that we can improve their practices through engagement during ownership. Starting with our Private Equity Fund VI investments, we aim to complete ESG diligence pre-acquisition for new Private Equity platform investments and to leverage third-party resources such as the IFRS SASB Standards to frame our analysis. In addition to reviewing ESG factors tailored to a particular investment, we regularly review environmental and resource efficiency management, workforce health and safety, diversity, equity, and inclusion practices, employee retention and professional development, cybersecurity, business ethics practices, and board governance.

Audax does not make investment decisions solely on the basis of ESG-related risks of a potential portfolio company. We aim to engage with the management of prospective portfolio companies on these topics and use the information gathered to inform our investment decisions.

Post-acquisition, we aim to engage with portfolio companies regularly on ESG topics and share best practices where companies seek to advance their own ESG practices. We regularly collect data on ESG factors from portfolio companies to monitor performance and engage with management on relevant ESG practices.

We recognize the importance of environmental sustainability and are conscious of the systemic challenges it entails, such as climate change. We seek to engage with portfolio companies to measure their carbon footprint during Audax' ownership, to the extent practicable, and to supplement portfolio carbon footprint data with top-down revenue-based carbon estimates as needed.

5. Reporting

Audax seeks to be transparent in its approach to incorporating ESG considerations in its investments, including by making this Policy available to investors and publishing an annual Responsible Investment Report. Additionally, we share asset-level ESG data with investors, where available, upon request. We regularly provide updates on our Responsible Investment program and portfolio initiatives to Audax staff.

6. Policy Oversight and Review

The Audax Private Equity Responsible Investment Committee is responsible for the implementation of this Policy and ongoing review.

Audax aims to review this Policy annually for alignment with the widening landscape of ESG issues and industry practices. We expect to update, modify, and supplement this Policy over time as our Responsible Investment program continues to evolve.

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