



ANNUAL REPORT

*Environmental,  
Social &  
Governance*

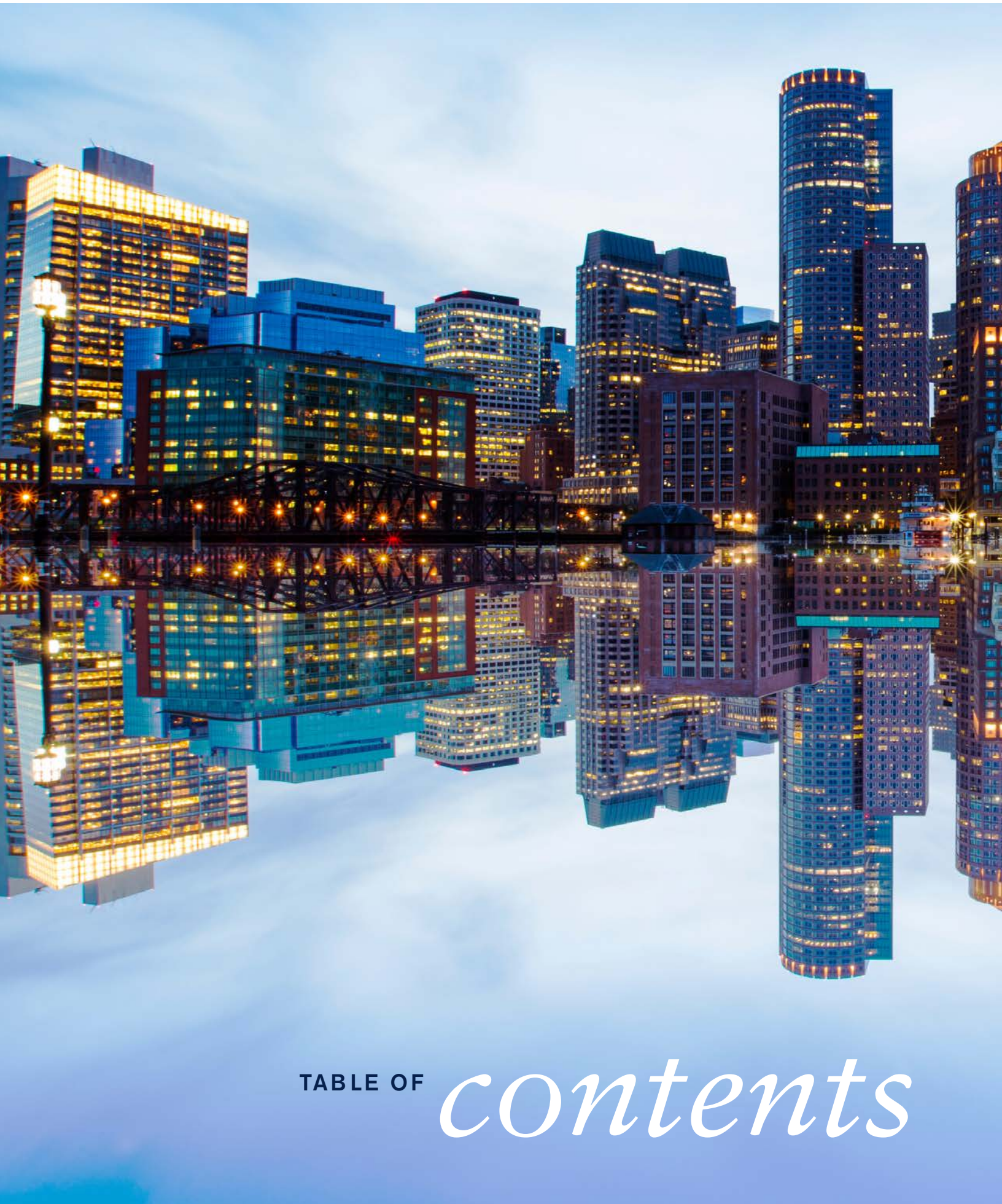


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At Audax Private Equity (“Audax”), Environmental, Social, and Governance (“ESG”) principles have always been an important factor in our investment decision-making, our management processes, and the day-to-day operations of our portfolio companies. We believe that integrating environmental, social, and governance considerations into our investment process enables us to build more resilient companies that can continue to grow and thrive after our ownership.

Our third annual ESG Report outlines several key initiatives that we completed over the past year. In early 2022, we became a signatory to the United Nations-supported Principles for Responsible Investment (PRI), a leading global proponent of responsible investing. We also participated in the inaugural year of the ESG Data Convergence Initiative, an industry collaboration aimed at standardizing ESG metrics and reporting in private markets. We hope our participation in these initiatives demonstrates our commitment to industry collaboration, accountability, and a continuous improvement mindset.

We have continued to refine and build upon our ESG processes at Audax. We executed our second portfolio ESG survey, collecting over 60 ESG metrics from our Fund VI, VII, and Origins Fund I portfolio companies. We worked to expand upon a Diversity, Equity, and Inclusion (DEI) toolkit for portfolio company management teams seeking to develop an action-oriented DEI strategy. We continued to engage one-on-one with

portfolio companies to provide resources and guidance on ESG topic areas most critical to their business strategies.

At our firm, we remained focused on evolving our DEI program with the aim of fostering a culture that promotes authenticity and the freedom to be one’s self. In 2022, the Audax Charitable Foundation (ACF) achieved status as a 501c3 charitable organization, and we presented grants to ten local non-profit organizations nominated by Audax employees. We measured and obtained carbon offsets for our corporate greenhouse gas emissions for the third consecutive year.

While we have continued to make progress on our ESG program, we recognize that there is much work to do in this always evolving space. We welcome your feedback and engagement on this report and associated programs, and we look forward to keeping you updated on our ESG journey. As always, thank you for your continued support of Audax Private Equity.

*introduction*

# Audax' ESG Timeline

Since its founding in 1999, Audax has been an advocate of sustainable business. **In 2015, a formal firmwide ESG policy was codified and adopted.** Since then, our approach to ESG has continued to evolve as we strive to be leaders in the middle market.

## 2015

Recognizing that societal change starts with each of us, in 2020 we renewed our commitment to Diversity, Equity, and Inclusion ("DEI") initiatives. We revised our hiring practices, increased DEI reporting, and became **a founding signatory of the ILPA Diversity in Action Initiative.**

## 2020

We piloted and subsequently established an annual ESG data collection process for our Flagship Fund VI portfolio companies. We aligned our ESG KPIs with the definitions provided by **the ESG Data Convergence Initiative** and built out additional metrics for our own internal portfolio monitoring. In February 2022, **we became a signatory to the United Nations Principles for Responsible Investment.** We believe that these industry initiatives provide resources that will support and enhance ESG at our firm.

## 2022



## 2019

Audax Private Equity launched Fund VI with an emphasized focus on ESG. We **created a formalized ESG Committee**, hosted training for deal team professionals, **and began incorporating ESG reviews into the diligence process for new platform investments based on the Sustainability Accounting Standards Board metrics.**



## 2021

We continued to push on existing ESG initiatives while expanding on others. We published our first public ESG report, and we increased our focus on building out our metrics and reporting capabilities. **In 2021, we began evaluating the carbon footprint of our portfolio.** We worked with 23 portfolio companies to complete a carbon footprint assessment. For most of these companies, this was the first time they had developed a greenhouse gas inventory.

Signatory of:



## 2023

We joined the Sustainability Accounting Standards Board (SASB) Alliance, now a part of the IFRS Foundation, and are utilizing SASB's engagement guide to identify the material, industry-specific ESG considerations in our due diligence process. We partnered with Watershed to measure our own firm's carbon emissions, as well as estimate our portfolio emissions in accordance with Partnership for Carbon Accounting Financials (PCAF) methodology.



# *Audax Private Equity Overview*

# Audax Private Equity Overview

Our mission is to partner with management teams and our co-investors to build long term value in our portfolio companies.

## By the Numbers

**\$18B**

ASSETS UNDER MANAGEMENT

**1999**

FOUNDED

**4**

OFFICES

Boston  
San Francisco  
New York  
London

**100+**

PRIVATE EQUITY  
INVESTMENT TEAM

## Portfolio Overview

**160+**

PLATFORM INVESTMENTS

**60K+**

EMPLOYEES<sup>2</sup>

**58**

CURRENT  
PORTFOLIO  
COMPANIES

**1,200+**

ADD-ON INVESTMENTS

**6**

INDUSTRY VERTICALS

Business Services	Healthcare
Consumer	Industrial Services & Technologies
Financial Services	Software & Technology

Portfolio Overview data represented is as of August 14, 2023.

AUM data represented is as of 6/30/2023. The AUM represents the regulatory assets under management calculated as total gross assets plus undrawn equity commitments (less any amounts outstanding on a line of credit which are expected to be paid down using undrawn equity).

# 2022 Investment Activity

## By the Numbers

# \$2.2B

**CAPITAL DEPLOYED**  
(fund capital + Audax co-invest)

# \$2.8B

**TOTAL REALIZATIONS**  
(fund capital + Audax co-invest)

# 15

**LIQUIDITY EVENTS**  
(across 12 portfolio companies)

# 112

**ADD-ON ACQUISITIONS**

# 10

**NEW PLATFORM INVESTMENTS**

## New Platform Investments

**BLUECAT™**

**SL SALON LOFTS®**

**MONARCH**  
LANDSCAPE COMPANIES

**FLOW CONTROL HOLDINGS**  
Bringing Flow to Life™

**DISA**

**Laird™**  
CONNECTIVITY

**MEDI WEIGHTLOSS®**  
The one that works!

**THERMOGENICS**  
INTELLIGENT STEAM

**RENSA**  
FILTRATION

**HARBOURFRONT**  
WEALTH MANAGEMENT



# *Our ESG Policy & Program*



# ESG Policy

**Our ESG policy incorporates** the American Investment Council’s (AIC) Guidelines for Responsible Investment. These guidelines were developed by taking into account elements of the United Nations’ Principles for Responsible Investment and the United Nations Global Compact.

When making investments, Audax Private Equity takes the following considerations into account:

- 1. Consider relevant environmental, safety, and social issues** associated with target companies when evaluating whether to invest in a particular company or entity, as well as during our holding period.
- 2. Seek to grow and improve the companies in which we invest** for long-term sustainability and to benefit multiple stakeholders, including environmental, social, and governance issues, and through Board participation where available.
- 3. Attract, develop, and support the best 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**, including with respect to workplace safety, data privacy, and cybersecurity.
- 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** on the matters addressed herein, and work to foster transparency about our 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.

# ESG Oversight

Our ESG Program is coordinated by our ESG Director and overseen by our ESG Committee to support the firm’s commitment to responsible investment.

The ESG Committee meets quarterly to ensure the firm is aligned on responsible investment priorities.

## CHARTER GOVERNANCE

The Audax Private Equity ESG Committee is governed by a charter that outlines five primary responsibilities:

- **Uphold** and revise, as needed, the firm’s ESG policy
- **Review** ESG risks and opportunities identified through third-party pre-close diligence
- **Disclose** material ESG concerns, if any, to internal and external investors
- **Monitor** ESG progress via mid-hold and pre-sale diligence updates
- **Conduct** regularly scheduled trainings and webinars to educate the firm on ESG priorities

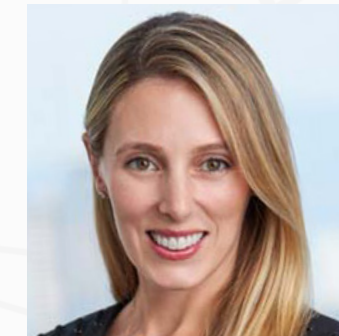
## Audax Private Equity ESG Committee



**KEITH PALUMBO**  
Partner & Co-President,  
Private Equity



**ASHEESH GUPTA**  
Managing Director,  
Portfolio Support



**MEGAN LUNDY**  
Managing Director,  
Investor Relations



**PAM MARTIN**  
Sr. Managing Director,  
Private Equity Operations



**JOE ROGERS**  
Partner,  
Private Equity

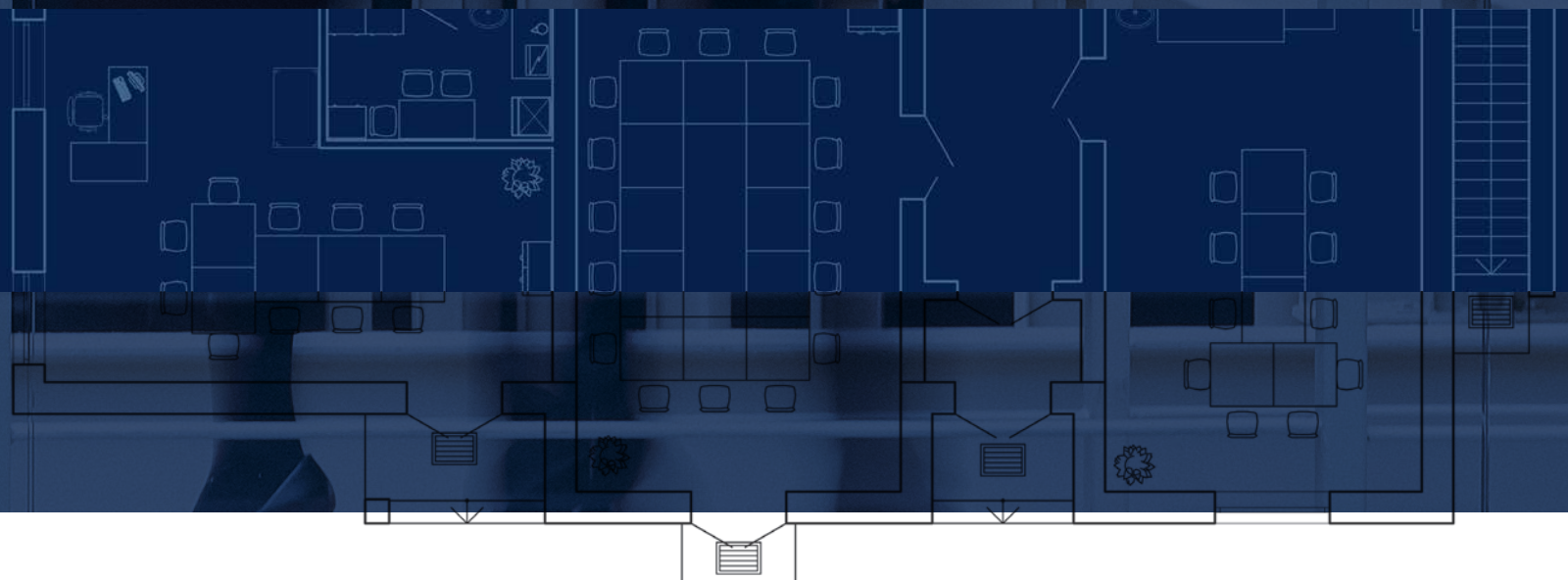


**DAVID WONG**  
Partner,  
Private Equity



**EMILY WELCH**  
Director, ESG,  
Portfolio Support

# *ESG Integration*



# ESG Integration Methodology



## PRE-INVESTMENT

### Responsible Investment Screening

#### Products & Services

**Screen:** Audax aims to exclude investments that are inconsistent with the Firm's values, such as investments in products & services that are illegal, harm societal welfare, or harm the environment.

#### Business Practices

**Screen:** During the due diligence phase, Audax works with a network of advisors and third-party consultants to review business practices of potential investments. Audax aims to exclude investments that pose ESG risks unless we can improve their practices through engagement during ownership.

### ESG Diligence

ESG diligence is completed for new platform investments in partnership with a third-party ESG consultant. We consider a set of common factors for every diligence review, as well as an additional set of factors tailored to best fit the sectors in which we invest. These factors are selected according to the Sustainable Accounting Standards Board (SASB) Materiality Map<sup>1</sup>.

#### Investment Committee

**Memo** ESG risks and opportunities identified from diligence review are summarized in an ESG section in Investment Committee memos.



## OWNERSHIP

### Portfolio Monitoring

In 2022, Audax executed our first ESG survey with our Fund VI portfolio companies. Our annual ESG survey includes 60+ ESG metrics, including metrics aligned with the ESG Data Convergence Initiative. ESG topics covered include:

- Energy Efficiency Initiatives
- Worker Health & Safety
- Employee Engagement & Retention
- Diversity, Equity, and Inclusion
- Business Ethics Policies & Trainings
- ESG & Sustainability Reporting

### Portfolio Company Engagement

We engage with portfolio companies on a one-on-one basis to advise and channel appropriate external resources to those companies wishing to further develop ESG and sustainability-related efforts. Examples of engagements include ESG strategy development support, impact opportunity assessments, and ESG disclosure projects.



## EXIT

### Disclosure

We aim to help portfolio companies articulate their mission, purpose, and impact through meaningful disclosures at exit.

### Measurable Progress

Our goal is to demonstrate improvements on material ESG topics during Audax' ownership, and to leave management teams with the tools needed to continue to meet future investor and business partner demands.

**At Audax, we seek to integrate ESG factors alongside other financial business factors throughout the investment lifecycle, both to mitigate risk and enhance value.**

<sup>1</sup> <https://materiality.sasb.org>



# Portfolio ESG Data Collection

In 2023, we executed our second annual ESG survey with our Fund VI, VII, and Origins Fund I portfolio companies.

Thirty eight portfolio companies participated in our survey, which contained over 60 metrics across environmental, social, and governance themes. A subset of metrics in our survey align with metrics defined by the ESG Data Convergence Initiative<sup>1</sup>, a private equity industry trade group, driving standardization and collaboration on private market ESG metrics.

## 2022/2023 ESG SURVEY THEMES

<i>Environmental</i>	<i>Social</i>	<i>Governance</i>
<ul style="list-style-type: none"> <li>Greenhouse Gas Emissions</li> <li>Emissions Reduction Programs</li> </ul>	<ul style="list-style-type: none"> <li>Worker Health &amp; Safety</li> <li>Diversity, Equity, and Inclusion</li> <li>Employee Engagement</li> </ul>	<ul style="list-style-type: none"> <li>Data Privacy / Data Security</li> <li>Business Ethics</li> <li>ESG Program Governance</li> </ul>

## ESG DATA PROGRAM OBJECTIVES



### *Demonstrate*

measurable improvements on material ESG topics at the portfolio company level during Audax' ownership period.



### *Measure*

progress and effectiveness of our ESG program and hold ourselves accountable for continuous improvement.



### *Monitor*

ESG risks and opportunities across our portfolio and meaningfully influence our approach to portfolio company engagement.



### *Identify*

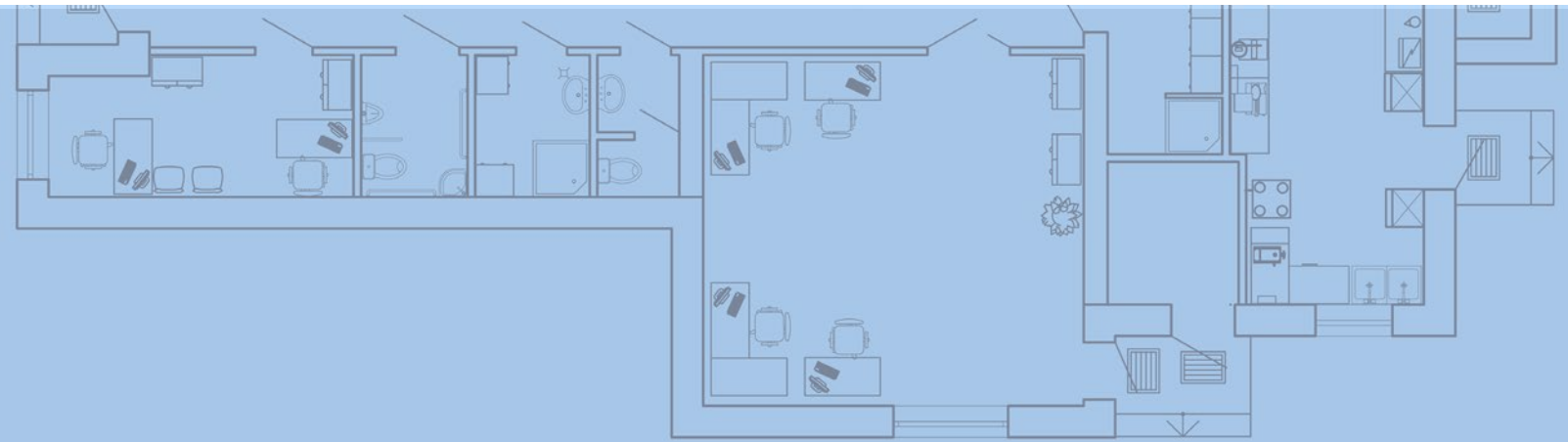
opportunities to expand our inventory of portfolio-wide resources where we believe they can be most impactful.



### *Continue*

to meet the evolving reporting needs of our stakeholders.

<sup>1</sup> <https://www.esgdc.org/>



## 2022 Portfolio Highlights

Below is a sample of data points from our second ESG survey. Going forward, we intend to improve upon our annual survey process, with a focus on continuously improving portfolio data quality and refining our survey to include industry and business model-specific metrics.

**16** MEASURED THEIR  
2022 CARBON FOOTPRINT

**18** REPORTED COMPLETING AN  
EMPLOYEE ENGAGEMENT SURVEY  
*(up from 13 in 2021)*

**9** ADDED (NET) WOMEN TO  
THEIR C-SUITE

**31** HAVE AN ETHICS POLICY OR  
CODE OF CONDUCT IN PLACE  
*(up from 23 in 2021)*

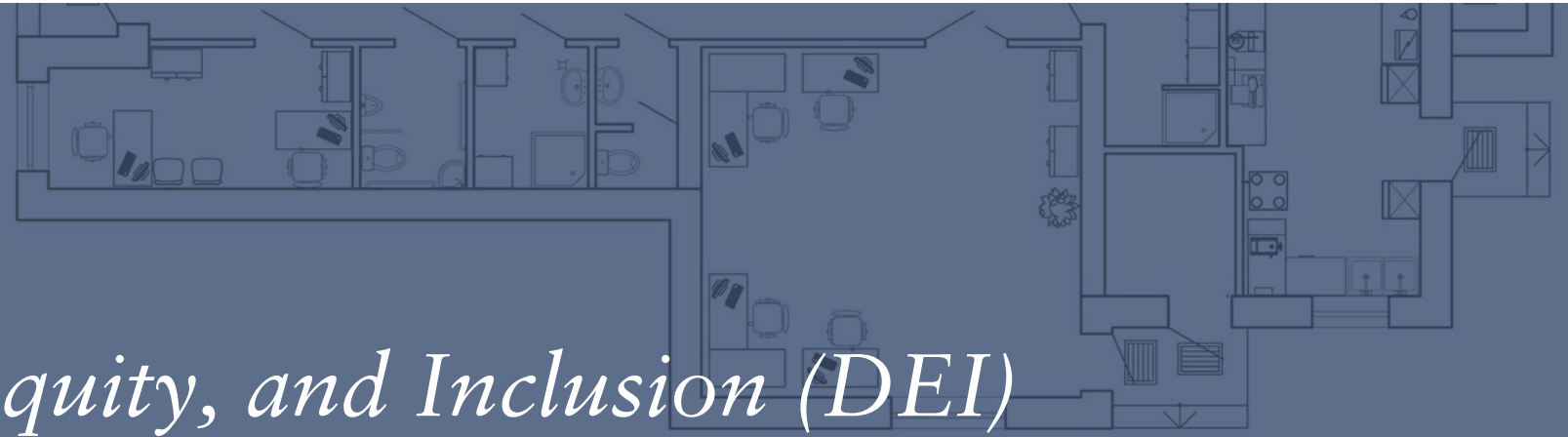
**14** CONDUCTED A  
PAY EQUITY AUDIT  
*(up from 5 companies in 2021)*

**24** HAVE AN ETHICS HOTLINE  
IN PLACE  
*(up from 16 in 2021)*

**31** REPORTED HAVING A HEALTH &  
SAFETY POLICY IN PLACE  
*(new metric)*

**8** REPORTED HAVING AN  
ESG COMMITTEE  
*(new metric)*

38 portfolio companies from Fund VI, VII, and OF1 participated in our 2023/2022 ESG survey cycle. 26 Fund VI portfolio companies participated in our 2022/2021 survey cycle (requesting data from the 2021 calendar year). ESG survey data is prepared and compiled by the applicable portfolio company and has not been independently verified by Audax. We've defined C-Suite as staff reporting directly to the CEO.



# Portfolio Engagement: Diversity, Equity, and Inclusion (DEI)

We aim to work collaboratively with our portfolio leadership teams to meet them wherever they are in their respective DEI journeys.

We strive to promote best practices and foster collaboration across our portfolio on DEI topics. We remain focused on providing resources and support tailored to our portfolio companies' unique needs and overall strategy.

**SHARING BEST PRACTICES ACROSS OUR PORTFOLIO**

**2022 CEO Summit** included a facilitated discussion of DEI program best practices and learnings across our portfolio.

**Our HR Leadership Audax Community of Practice (ACP)** is a dedicated forum for portfolio leaders to hear directly from each other and subject matter experts on human capital and DEI-related topics.

## PORTFOLIO DEI TOOLKIT

In 2022, we expanded our inventory of best practices, templates, trainings, and other resources to support leadership teams seeking to develop and evolve their corporate diversity programs.

**2.1 Alternative sourcing to diversify candidate pool**  
Vendor market overview of alternative job boards

**3.1 DEI Policy**  
Template

**4.2 Employee engagement surveys with DEI questions**  
Sample DEI questions

**4.4 DEI Dashboard**  
Metrics inventory

DEIVERSITY	EQUITY	INCLUSION & BELONGING
<ul style="list-style-type: none"> <li>Percentage of contracting with diverse vendors</li> <li>Percentage of diverse candidates in talent pool</li> <li>Percentage of diverse candidates in hiring pipeline</li> <li>Percentage of diverse candidates in hiring pipeline</li> <li>Percentage of diverse candidates in hiring pipeline</li> <li>Percentage of diverse candidates in hiring pipeline</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of employees leading in diversity</li> <li>Percentage of diverse executive roles</li> <li>Percentage of diverse executive roles</li> <li>Percentage of diverse executive roles</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of employees participating in DEI training</li> <li>Percentage of employees participating in DEI training</li> <li>Percentage of employees participating in DEI training</li> <li>Percentage of employees participating in DEI training</li> </ul>



# Portfolio Engagement: Cybersecurity

We believe cyber risk is one of the more immediate threats that organizations face today. We seek to partner with portfolio companies to assess and remediate cyber vulnerabilities during our ownership.

In 2020, we launched a cybersecurity self-audit across the portfolio, testing portfolio companies on a framework of best practices based on the Center for Internet Security Controls Self-Assessment Tool (CIS CSAT).

## APPROACH

- Cyber assessments are initiated during diligence, and are maintained by the company IT leadership.
- As part of a continuous-improvement process, portfolio companies are asked to complete semi-annual cyber assessments.
- Assessment results are scored and reviewed with third-party experts and company IT leadership.

## MONITORING

We've developed dashboards to monitor progress both across our portfolio and at each portfolio company across various control categories.

Company Name	Avg. Policy Defined Score	Avg. of Control Implemented Score	Avg. of Control Automated Score	Avg. of Control Reported Score
Company A	Green	Yellow	Yellow	Yellow
Company B	Green	Green	Green	Yellow
Company C	Green	Green	Green	Green
Company D	Green	Yellow	Green	Green
Company E	Yellow	Yellow	Yellow	Yellow
Company F	Yellow	Yellow	Yellow	Yellow
Company G	Green	Green	Green	Green
Company H	Yellow	Yellow	Yellow	Yellow
Company I	Green	Yellow	Yellow	Yellow
Company J	Green	Green	Green	Yellow
Company K	Green	Yellow	Yellow	Yellow
Company L	Green	Yellow	Yellow	Yellow
Company M	Green	Green	Green	Green
Company N	Green	Yellow	Yellow	Yellow
Company O	Yellow	Green	Green	Yellow

Illustrative purposes only. Above table does not represent actual portfolio data.



# *Case Studies*



# Case Study: Sustainable Waste Solutions at LES

## ABOUT THE COMPANY

**Liquid Environmental Solutions (LES)** is a leading national provider of non-hazardous liquid waste management and disposal services.

LES services include collection and transportation of grease trap, used cooking oil, and industrial wastewater as well as the operation of 26 non-hazardous liquid waste treatment facilities. Audax initially invested in LES in 2017. Since then, LES has acquired 13 add-on acquisitions, and has grown their US footprint from 54 facilities across 30 states to 100 facilities across 44 states.

### BY THE NUMBERS

**399M** GALLONS  
*wastewater reused or recycled*

**72M** GALLONS  
*waste reused or recycled*

to produce biodiesel, renewable diesel, biogas, and composting / fertilizing materials

**91%** OF WASTE  
*collected was diverted from landfills*

## SUSTAINABLE WASTE SOLUTIONS

Restaurant and food waste can contain valuable materials that can be processed and converted into fuel and energy. By managing the entire liquid waste lifecycle, LES supports their customers while simultaneously increasing landfill diversion, thereby reducing greenhouse gas emissions, and preserving our most precious resource – water.

### COMPANY'S SERVICES ADDRESS SEVERAL UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)



**Reduces Water Pollution**

Ensure that grease and other waste does not get into water



**Recycles Water**

Reclaim water from waste and treat it to safely reuse



**Diverts Waste from Landfills**

Seek to properly recycle and reuse waste when able



**Protects Water Infrastructure**

Ensure water treatment facilities only receive waste that they can manage



Please note, data has been provided by the portfolio company and has not been independently validated.

# Case Study: DEI Strategy at Solve



## ABOUT THE COMPANY

**Solve Industrial Motion Group** (Solve) is a leading provider of high-quality Metric and American Standard power transmission components and industrial-grade bearings. Audax initially invested in Solve in 2021. Since then, Solve has acquired five add-on acquisitions, and grown their employee count from approximately 50 to 250 employees.



We just completed an engagement survey and featured some diversity questions. I was pleased to see that DEI was one of our highest scoring dimensions. Looking ahead we want to introduce training on DEI topics and continue the conversation about diversity, equity, inclusion, and belonging.”

—Kris Eldridge  
Vice President of Human Resources, Solve

## DIVERSITY, EQUITY, AND INCLUSION (DEI) STRATEGY DEVELOPMENT

In 2022, Solve began the process of assessing the current state of DEI at the company and prioritizing areas for improvement. Given their rapid growth over the past few years, Solve management identified an opportunity to focus on growing their team and DEI initiatives in tandem, embracing the opportunity to be more thoughtful about how it approached recruiting and interviewing. The management team developed a DEI roadmap and execution toolkit, with actionable steps to foster a more diverse and equitable culture, which expanded their DEI efforts beyond recruiting.

## SOLVE'S DEI PROGRAM 2022 PROGRESS

### Senior Leadership Commitment

- **Developed** a DEI policy to codify program commitments.
- **Published** Senior Leadership Statement to company website to embed DEI values in company branding.
- **Reported** on DEI objectives and progress to the Board regularly.

### Data & Analytics

- **Implemented** new HRIS system expanding employee diversity data availability.
- **Developed** people analytics dashboard to monitor employee demographics and identify KPIs.
- **Launched** employee engagement survey, incorporating DEI questions to gauge culture climate

### Employee Recruitment & Retention

- **Reviewed** job descriptions for inclusive language.
- **Leveraged** alternative job boards for open position posts to access more diverse candidate pipelines.

Please note, data has been provided by the portfolio company and has not been independently validated.



# Case Study: ESG Strategy Development at GCG

## ABOUT THE COMPANY

**GCG** is a leading national value-added distributor of high-quality wire and cable products and a provider of wire automation solutions and engineering services.

## ESG STRATEGY DEVELOPMENT

In 2022, GCG began the process of assessing the current state of ESG at the company and prioritize areas for improvement. Over the last year, GCG has worked to develop an ESG roadmap to codify and create an environment for continuous improvement across their business. As part of their efforts, GCG set up an ESG steering committee with a direct reporting line to the board creating ESG accountability for ESG pillars. They are developing metrics around energy and emissions intensity to report progress across their ESG pillars annually. Some findings from the initial ESG assessment are included below.



Here at GCG, ESG issues are central to our purpose and will continue to be part of our decision-making process across the organization. By taking a comprehensive view of our ESG risks and opportunities, we can better serve our stakeholders and be the preferred source in each of our market segments and a company where our employees are proud to work.”

—Steve Maucieri  
Chief Executive Officer, GCG

## 2022 ESG PILLARS

### Energy & Emissions



Conducted first Scope 1 & 2 GHG inventory<sup>1</sup>

- Scope 1 Stationary: 478 MT
- Scope 2 Indirect: 637 MT

### EMISSIONS REDUCTION EFFORTS



GCG is undertaking a logistics route optimization initiative anticipated to reduce reduce shipment miles significantly over the next five years.



Piloted energy efficiency projects throughout distribution network.

### People



Investing in learning, development, and retention programs.

- 2022 Leadership and sales training
- 2023 DEI, unconscious bias training



Conducted first **pay parity audit across gender and race**, identifying strengths and areas for improvements.



Developing a strategy that will shift:

- Revenue into deploying connectivity into rural areas
- Revenue into supporting electric vehicles, automation, and smart building infrastructure

### Supply Chain



Investing in improving data quality across value chain to better **understand scope 3 emissions**



Committed to upholding human rights and prioritizing safety and compliance and equal opportunity across our value chain.



Developing processes to enhance the engagement with our suppliers and improve data quality across value chain.

Please note, data has been provided by the portfolio company and has not been independently validated.



# DEI Program Governance

**At Audax,** we are committed to fostering a culture that promotes authenticity and the freedom to be one's self, which leads to our success as a results-oriented organization.

Our unique differences make us stronger as a team and allow us to operate at the highest level of excellence.

Cultivating a diverse and inclusive culture is an ongoing journey. We are committed to continuing to evolve, and simultaneously promoting DEI within our organization, our portfolio companies, and our broader ecosystem.

We believe the ultimate measure of success in this mission is an Audax community that more closely reflects the communities in which we operate across multiple dimensions of diversity;

one in which every individual shares similarly positive experiences of the Audax community.

In 2020, Audax established a DEI Committee to evaluate efforts and drive progress related to firmwide DEI initiatives. Our DEI Committee will guide and promote DEI initiatives at Audax, including by making policy recommendations to the Partner Group and by identifying obstacles (and strategies for eliminating those obstacles) that may hinder progress on DEI program objectives.

## Audax Private Equity DEI Committee



**YOUNG LEE**  
Partner & Co-President  
Private Equity



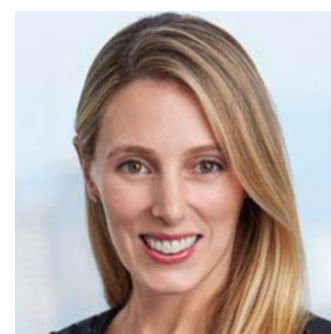
**WILLIAM ALLEN**  
Managing Director  
Private Equity



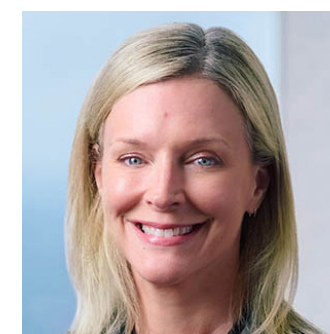
**TAMARAH BELCZYK**  
Managing Director  
Deputy General Counsel



**ASHEESH GUPTA**  
Managing Director  
Portfolio Support



**MEGAN LUNDY**  
Managing Director  
Investor Relations



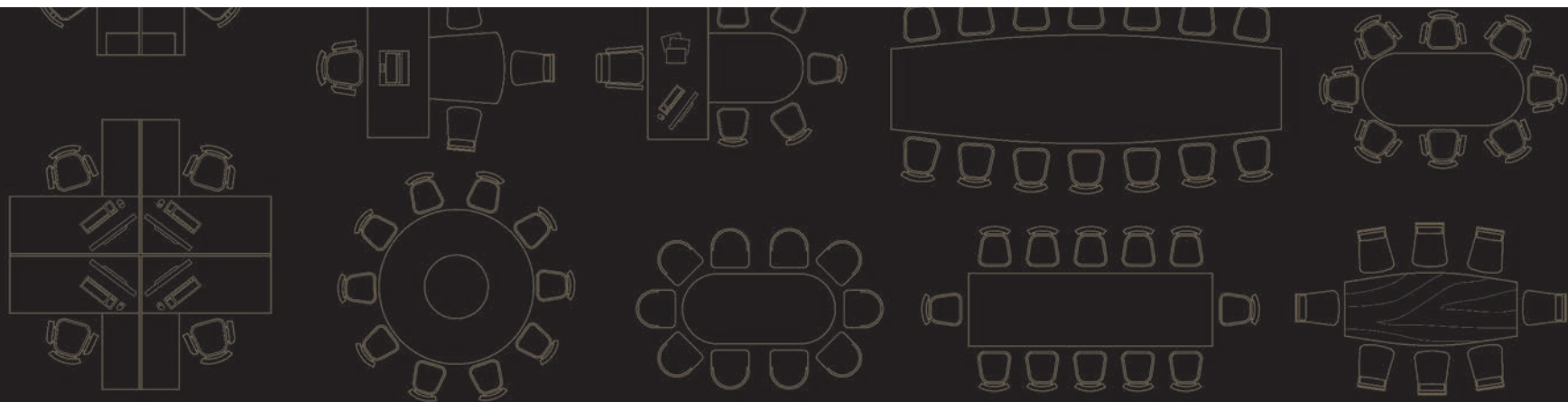
**AMY MCCORMACK**  
Senior Vice President  
Human Resources



**REBECCA WALKER**  
Managing Director  
Talent Management & Development



**DAVID WONG**  
Partner  
Private Equity



# DEI Program Update

In 2021, we partnered with inQUEST Consulting to build out our firmwide DEI strategy, and to develop a strategic three-year plan aiming to promote DEI at our firm and within our broader ecosystem.

## DEI PARTNERSHIPS

We are proud to support and utilize organizations that foster DEI in our industry and broaden access to professional and educational opportunities.



Our DEI program efforts have been carried out in three initial phases:

**✓ PHASE 1** **DEI Climate Assessment**  
 We worked with inQUEST to establish focus groups within Audax and conduct interviews. Findings from the interviews and recommendations were then presented to the Audax DEI Committee.

**✓ PHASE 2** **DEI Roadmap Strategy Development**  
 A Private Equity DEI Strategy Group was established to identify areas of priority focus and begin building out action plans within each focus area.

**➡ PHASE 3** **Implementation of DEI Strategic Plan**  
 Our strategic plan is broken into four parts (Organizational Culture and Climate, Inclusive Recruitment Process, Retention and Professional Development, and Portfolio and Broader Ecosystem). We've assembled working groups responsible for addressing each part of our Strategic Plan, and report back on progress and recommendations to the DEI Steering Committee quarterly.



# *Corporate Citizenship*



# Audax Charitable Foundation Overview

The Audax Charitable Foundation (ACF) was founded to propel local, grassroots, nonprofit organizations to achieve an outsized impact in its Boston and San Francisco communities.

We aim to positively impact the communities where we operate through the passions of our employees by supporting programs focused on Education, Healthcare, Social Support & Services, and Arts & Cultural Programs.

## 2022 MILESTONES

**Achieved** status as 501c3 charitable organization

**Welcomed** Allison Sobel as the dedicated Coordinator of ACF, joining Audax from Boys & Girls Clubs of Boston

**Held** our Annual Service Day, with 90% of team volunteering at local organizations

**Celebrated** our local charities with our donors at our inaugural golf fundraising event

## BY THE NUMBERS<sup>1</sup>

**14** GRANT RECIPIENTS

**\$750K**

TOTAL COMMITMENTS

**3,800**

TOTAL EMPLOYEE "SERVICE DAY" & VOLUNTEER HOURS<sup>2</sup>

Percent of Total Commitments

**29%** EDUCATION

**21%** HEALTHCARE

**50%** SOCIAL SUPPORT & SERVICES

As ACF is just getting off the ground, we remain committed to Arts & Cultural Programs, but have yet to award any grants in this category.

<sup>1</sup> ACF By the Numbers reflects data as of 12/31/2022.

<sup>2</sup> Total hours represents volunteer hours recorded between 1/1/2015-12/31/2022; 2015 is the first year Audax began tracking volunteer hours and precedes the launch of ACF.

## 2022 ACF Foundation Grantees

**The common threads** across all ACF grantees are that each addresses unmet needs, is run by dedicated high-quality management, has clear strategies to achieve and measure outcomes, and operates high-impact programs that affect a significant number of people positively. In 2022, we presented ten organizations with \$50,000 multi-year grants.

**Larkin Street Youth Services** San Francisco, CA

**MISSION:** Creating a continuum of services that inspires youth to move beyond the street. They nurture potential, promote dignity, and support bold steps by all.

**Boston Day and Evening Academy** Roxbury, MA

**MISSION:** Engage young adults to build a vision for their future through supportive relationships and meaningful competency-based learning experiences.

**Bottom Line** Boston, MA

**MISSION:** Partner with first-generation, degree-aspiring students from low-income backgrounds to help them get into and graduate from college, and then mobilize young professionals into meaningful careers.

**Food Link** Arlington, MA

**MISSION:** Creating a more equitable food system throughout Greater Boston by rescuing and distributing high-quality, customized food to under-resourced communities and by advocating for systemic change.

**Boston Rescue Mission** Boston, MA

**MISSION:** Empower individuals experiencing or at risk of homelessness by providing them with the opportunity to build and sustain self-sufficient life skills.

**Haley House** Boston, MA

**MISSION:** Use food with purpose and the power of the community to break down barriers between people, empower individuals, and strengthen neighborhoods.

**Big Sister Boston** Boston, MA

**MISSION:** Ignite girls' passion and power to succeed through positive mentoring relationships with women and enrichment programs that support girls' healthy development.

**Minds Matter** Boston, MA

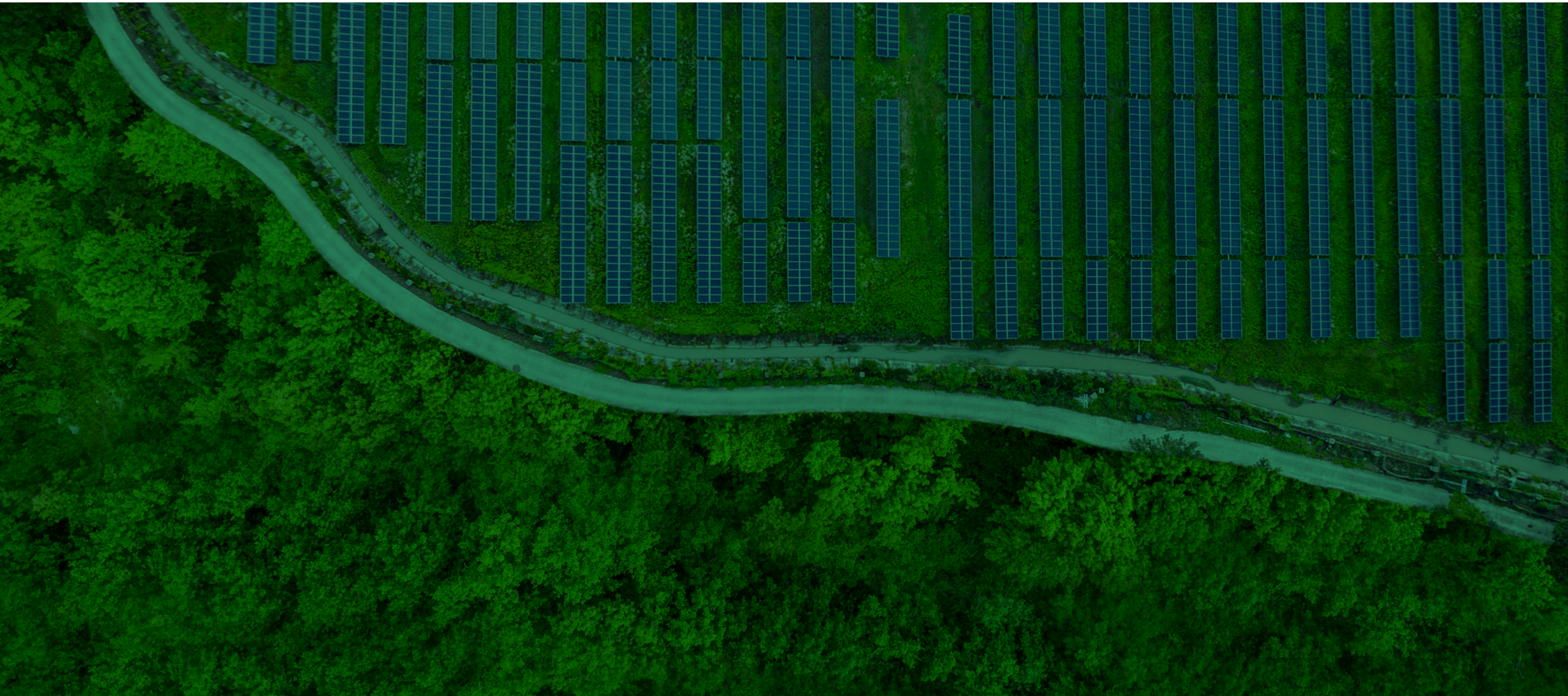
**MISSION:** Connect driven and determined students from low-income families to the people, preparation, and possibilities to succeed in college, create their future, and change the world.

**Women's Lunch Place** Boston, MA

**MISSION:** Inspire hope and support the development of self-sustaining skills for women experiencing hunger, homelessness, and poverty through a safe, welcoming day-shelter community, serving more than 1,800 women each year.

**Horizons for Homeless Children** Boston, MA

**MISSION:** Improve the lives of young homeless children and help their families succeed by providing high-quality early education, opportunities for developmental play, and comprehensive family-support services. At any one time, an average of 800 children live in HHC shelters.



# *Our Environmental Footprint*

# Our Corporate GHG Emissions

**An important step** in our ESG program evolution is to understand our own firm’s greenhouse gas (GHG) emissions.

At a firm level, we have partnered with Watershed in 2023 to measure our firm’s Scope 1, 2, and select Scope 3 GHG emissions according to Greenhouse Gas Protocol (GHG Protocol) Standards.

We have purchased carbon offsets for emissions from mobile sources since 2019 and commit to continuing to offset emissions from our corporate operations going forward.

SCOPE	SOURCE	UNIT	2022	2021	2020	2019
Scope 1 Emissions	Mobile Sources	Metric tCO2e	3,174	2,786	1,467	2,955
Scope 2 Emissions	Purchased Electricity (incl. data servers and cloud storage)	Metric tCO2e	183	176	138	112
Scope 3 Emissions	Employee Business Travel (e.g., flights, rental cars, hotel stays)	Metric tCO2e	3,967	445	691	2,954

Emissions represented include Scope 1-3 emissions from Audax Management Company and Audax Private Equity. Emissions have not been validated by an independent audit firm.

# *Appendix*

# Important Notices

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Documents of such fund or account, conducting such investigations as the investor deems necessary and consulting the investor’s own legal, accounting and tax advisers to make an independent determination of the suitability and consequences of an investment in such fund or account. In the event that the descriptions or terms described herein are inconsistent with or contrary to the descriptions in or terms of the Offering Documents, the Offering Documents shall control.

Certain statements contained in this Information constitute “forward-looking statements” that can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “estimate,” “intend,” “continue,” or “believe” or comparable terminology. Furthermore, any projections or other estimates in this Information, including estimates of returns or performance, are “forward-looking statements” and are based upon assumptions that may change or prove to be incorrect. Due to various risks and uncertainties, actual events or results may differ materially from those reflected in such forward-looking statements.

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Prospective investors should be aware that an investment in an Audax fund or account is speculative and involves a high degree of risk. There can be no assurance that such fund or account will achieve comparable results, implement its investment strategy, achieve its objectives or avoid substantial losses or that any expected returns will be met.

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# Audax Private Equity

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