

**Product name:** AP Impact Offshore Fund SCSp SICAV-RAIF (the “Partnership”)

**Legal entity identifier:** 635400L8ACUYCNBAIJ88

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



## Sustainable investment objective

### Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>Yes</b>	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>No</b>
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input checked="" type="checkbox"/> It made <b>sustainable investments with a social objective:</b> <u>100</u> %	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

### To what extent was the sustainable investment objective of this financial product met?

The Partnership’s investment object is to invest substantially all of its assets in limited partnership interests of Apax Global Impact SCSp, a Luxembourg special limited partnership (*société en commandité spéciale*) (the “Fund”). Accordingly, the Partnership has the same sustainable investment objective as the Fund and relies on the Fund’s periodic disclosure as regarding the extent to which the sustainable investment objective was met.

The sustainable investment objective pursued by the Fund is to target buyout and growth

investment opportunities in companies that deliver “Impact”—defined as the creation of positive societal and/or environmental impact by a company, generated by its core business activities (“what the company does”), as well as how such company is managed from a social, environmental and governance perspective (“how a company operates”).

The Fund targeted a portfolio of buyout and growth investments in companies which sought to deliver Impact within the Fund’s four sector themes of Health & Wellness, Climate, Environment & Resource Efficiency, Social & Economic Mobility and Digital Impact Enablers (being investments primarily in the technology sector which can help drive Impact across the other three areas).

The Climate, Environment & Resource Efficiency sector theme targeted sustainable investments that contributed to the following environmental objectives under Article 9 of the Taxonomy Regulation (albeit the Fund did not commit to a minimum alignment to the EU Taxonomy):

- (a) climate change mitigation;
- (b) climate change adaptation; and
- (c) the transition to a circular economy.

The attainment of the Fund's sustainable investment objective was measured through the use of certain Impact measurement tools to evaluate the suitability of a potential investment and to track key Impact post-investment developments. The “impact threshold score” was used during due diligence to establish the suitability of potential investments and an annual “impact improvement score” was determined for each investment, to measure the Impact outcomes during the investment hold period.

As of 31 December 2022, AGI had made 2 investments, both of which had met the Impact Threshold score required to be considered sustainable investments for the Fund.

### ● ***How did the sustainability indicators perform?***

As the Partnership invests substantially all of its assets in limited partnership interests of the Fund, the Partnership uses the same sustainability indicators as the Fund and relies on the Fund’s periodic disclosure as regarding the performance of those indicators.

The Fund used the Apex Impact Triage Tool and the Apex Impact Threshold Score in its investment decision-making process to evaluate the suitability of a potential investment, and the Apex Impact Improvement Score to track key Impact post-investment developments.

The Apex Impact Triage Tool is intended to help source and screen potential investments based on fund strategy and Impact criteria, confirm alignment with the requirements applicable to “sustainable investments” under the Sustainable Finance Disclosures Regulation (“**SFDR**”) (e.g., the United Nations Sustainable Development Goals (“**UNSDGs**”)), screen out proposed investments with material negative externalities and, where needed, to clarify key questions for further diligence. The tool was created to help calibrate potential investments consistently

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

across key Impact criteria. At the stage of pre-investment due diligence, an investment will typically either pass, pass with questions for further diligence, or fail to meet the Fund’s Impact requirements.

The Apax Impact Threshold Score, built using key “Impact Dimensions” of the Impact Management Project, was used during diligence to further establish the eligibility of potential investments. The score, based on a scale of 0-100, helped to evaluate strength of correlation between a potential investment to relevant Impact attributes (e.g. alignment with the Fund’s objectives, accessibility of the product or service, significance of the Impact or the nature and durability of the company’s Impact), test the Impact thesis, analyse key Impact questions and help facilitate a final investment decision. Subject to other non-Impact factors including projected financial returns, potential investments with scores of 60 and above were recommended for investment, and those with scores of 50-59 were recommended on a case-by-case basis, based on further Impact due diligence, which included, in some cases, consultation with the Impact Advisory Board.

Post investment and during the holding period, the Apax Impact Improvement Score was leveraged to measure the Impact outcomes. The Apax Impact Improvement Score used selected KPIs to track changes within three components: increasing the scale of Impact (e.g., number of customers served), increasing the depth of Impact (e.g. the amount of Impact enabled per customer), and increasing the ESG impact (e.g. diversity of the workforce). The scoring, based on a scale of 0-100+, was assessed annually in relation to each investment to monitor the progress of Impact value creation under the Fund’s ownership. A score of greater than 100 was possible if one or more of the scored elements exceeds the base case target. The Apax Impact Improvement Scores is reported for each investment held by the Fund to investors annually and incorporated into the compensation structures of portfolio company management teams to the extent practicable.

Please see the table below for the indicators described above for the 2022 reporting period. Please note that the Improvement score is out of 25 (rather than 100 as indicated in the scoring methodology above) given that the total improvement score is determined in total over a 4-year period.

Company	Investment date	Threshold score	Improvement score (Dec 2022)	Improvement score % (Dec 2022)	Status
Bonterra	Sept 2021	74	18.73/25	74.9%	On track
ERC	Nov 2021	78	8.33/25	33.3%	Measures in place

● **...and compared to previous periods?**

N/A – This is the first periodic report for the Partnership.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

The Partnership relies on the steps taken in respect of the Fund to ensure that potential investments did not cause significant harm to any environmental or social sustainable investment objective.

As part of the pre-investment due diligence process, assessments were undertaken by the Fund to ensure that potential investments did not cause significant harm to any environmental or social sustainable investment objective.

At the outset of a deal, an initial assessment of the deal's suitability and qualification was carried out using the Apax Impact Triage Tool. This assessed the potential investment under (1) the relevant requirements for a "sustainable investment" under SFDR, (2) Impact criteria, (3) alignment with the UNSDGs, and (4) screening out of proposed investments with material negative externalities. Following the consideration of each of the above factors as part of the Apax Impact Triage Tool, the investments were not considered to cause any significant harm to the sustainable investment objective.

Bonterra is the transformational combination of EveryAction, Social Solutions, CyberGrants, and Network for Good to create a leading provider of next-generation SaaS solutions to the social good ecosystem. Bonterra's mission is to "power those who power social impact". On a standalone basis, each product supports social good organizations with software solutions that make their work easier, more efficient, and more effective. The investment is aligned with AGI's "Impact Enablers" theme. Bonterra serves social good organizations that support multiple Sustainable Development Goals ("SDGs") including, but not limited to: #1 (no poverty), #2 (zero hunger), #4 (quality education), and #13 (climate action). This investment was determined to not cause significant harm to the sustainable investment objective and supports the social objective of driving resources to organisations for social good.

Eating Recovery Centre ("ERC") is a leading provider of eating disorder ("ED") and mood and anxiety treatments ("MA"). ERC is renowned for its clinical differentiation and ability to address patients across different levels of care, including inpatient, residential, outpatient and virtual care. As a fully in-network provider with all commercial payors, ERC represents a more accessible and affordable alternative to traditional competitors, which typically take private pay and are more cost prohibitive. The investment is aligned with the Fund's "Health and Wellness" theme. ERC supports SDG #3 (good health and well-being). This investment was determined to not cause significant harm to the sustainable investment objective and supports the social objective of driving better access and outcomes for those with eating or mood and anxiety disorders.

— ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The assessment for the initial qualification under the SFDR (carried out as part of the Apax Triage Tool) considered whether each potential investment would cause

significant harm to any environment or social sustainable objective as required by the SFDR by taking into consideration the principal adverse indicators on sustainability factors ("PAIs") required under SFDR. Following assessment of the mandatory PAIs and additional relevant PAIs, both of the Fund's investments are not considered to cause any significant harm to any sustainable investment objective.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund is invested predominantly in "mid-market" companies, to which such principles are relevant only in part. The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights have been used as starting point for assessing significant harm. Considering the size of the companies and the nature of their activities (and having regard to principles of proportionality), Apax is comfortable that the investments don't do significant harm and during ownership will seek to improve the alignment of the companies with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights where relevant.



### **How did this financial product consider principal adverse impacts on sustainability factors?**

The Partnership relies on the action taken in respect of the Fund in considering principal adverse impacts (PAIs) on sustainability factors.

The Fund has committed to considering PAIs at product-level pursuant to Article 7 SFDR.

The Fund considered PAIs at the outset of a deal and as part of the Fund's assessment that an investment does not cause significant harm to any sustainable investment objective (see above), an initial assessment of the deal's suitability and qualification was carried out using the Apax Impact Triage Tool. This assesses the potential investment under (1) the mandatory PAIs and any additional relevant PAIs for the Fund's investments to be regarded as "sustainable investments" under the SFDR, (2) Impact criteria, (3) alignment with the UNSDGs, and (4) screening out of proposed investments with material negative externalities.

The assessment for the initial qualification of an investment as a "sustainable investment" under the SFDR considered whether the potential investment would cause significant harm to any environment or social sustainable objective as required by the SFDR taking into consideration the PAIs. This process considered mandatory PAIs as well as additional relevant PAIs. These PAI indicators were used to confirm whether the potential investments were not considered to cause any significant harm to any sustainable investment objective.



### What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 2022

Largest investments	Sector	% Assets <sup>1</sup>	Country
Bonterra	Tech	79.1%	United States
Eating Recover Center	Healthcare	20.9%	United States

**Asset allocation** describes the share of investments in specific assets.

### What was the proportion of sustainability-related investments?

Please see answer below

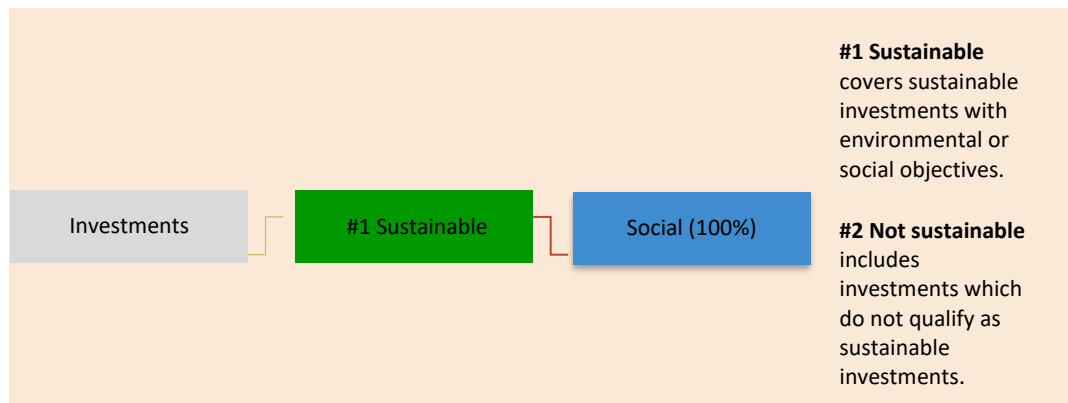
- **What was the asset allocation?**

Please see answer below



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective



- **In which economic sectors were the investments made?**

Technology (79.1%) and Healthcare (20.9%), calculated by the Fund by Net Asset Value (NAV) at 31 December 2022.



### To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

<sup>1</sup> Calculated by the Fund by Net Asset Value (NAV) at 31 December 2022

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

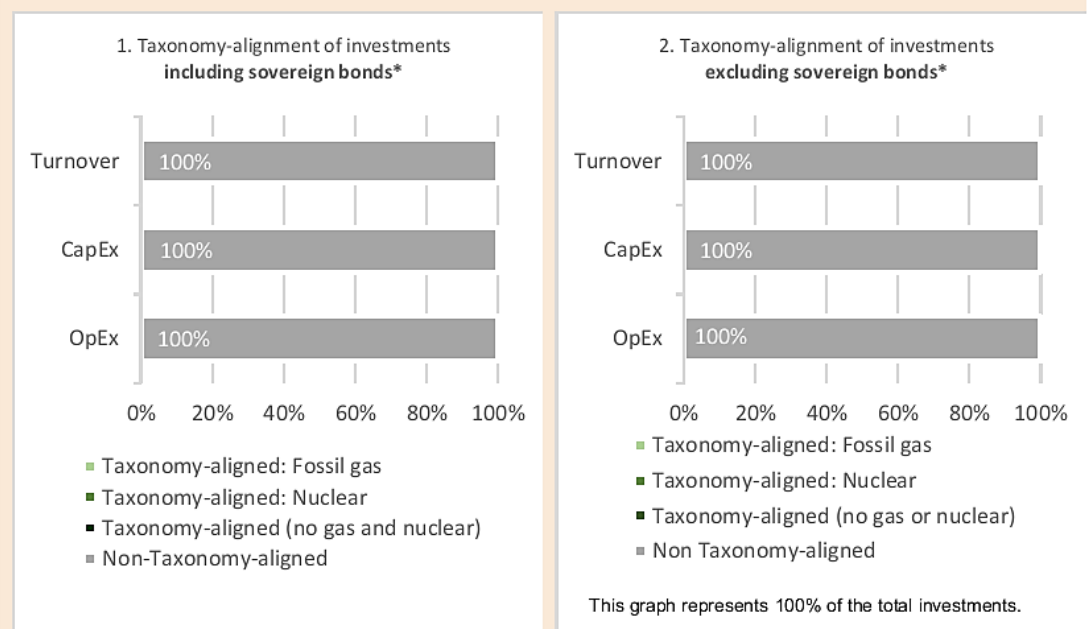
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>2</sup>?**

- Yes:
  - In fossil gas
  - In nuclear energy
- No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

0%

<sup>2</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

N/A – this is the Partnership’s first periodic report.



**What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

0%



**What was the share of socially sustainable investments?**

100%



**What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

N/A

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What actions have been taken to attain the sustainable investment objective during the reference period?**

The Partnership relies on the actions taken in respect of the Fund to attain the sustainable investment objective.

The Fund has been executing on its mandate and sustainable investment objective throughout the life cycle of the investments over the course of the reference period.

The investment objective pursued by the Fund is to target buyout and growth investment opportunities in companies that deliver “Impact” – defined as the creation of positive societal and/or environmental impact by a company, generated by its core business activities (“what the company does”), as well as how such company is managed from a social, environmental and governance perspective (“how a company operates”).

The Fund went through active deal generation and investment activity in line with this objective and with the specific themes described in the pre-contractual document: Health & Wellness, Climate, Environment & Resource Efficiency, Social & Economic Mobility and Digital Impact Enablers (being investments primarily in the technology sector which can help drive Impact across the other three areas).

To ensure that each investment met the criteria of the sustainable investment objective, at the outset of a deal, an initial assessment of the deal’s suitability and qualification was carried out using the Apax Impact Triage Tool. This assessed the potential investment under (1) the relevant requirements for a "sustainable investment" under SFDR, (2) Impact criteria, (3) alignment with the UNSDGs, and (4) screening out of investments with material negative externalities. The assessment for the initial qualification under the SFDR considered whether the potential investment would cause significant harm to any



environment or social sustainable objective as required by the SFDR taking into consideration the PAIs. Following this assessment, all of the Fund's investments were not considered to cause any significant harm to any sustainable investment objective.

The Apax Impact Threshold Score, built using key “Impact Dimensions” of the Impact Management Project and detailed in answers above, was used during diligence to further establish the eligibility of potential investments in accordance with the sustainable investment objective.

To monitor the attainment of the sustainable investment objective and portfolio company ESG performance following an investment, the Apax Impact Improvement Score was leveraged to measure the Impact outcomes by way of selected KPIs to track changes within three components: increasing the scale of Impact (e.g. number of customers served), increasing the depth of Impact (e.g. the amount of Impact enabled per customer), and increasing the ESG impact (e.g. diversity of the workforce).

The Apax investment professionals have engaged with both portfolio companies and to put in place the appropriate people, processes, and technology to further accelerate the achievement of the sustainable objectives set out for each portfolio company. Progress on this is measured annually through the Impact Improvement Score, as can be seen above.



### How did this financial product perform compared to the reference sustainable benchmark?

N/A. No specific index has been designated as a reference benchmark to meet the sustainable investment objective.

- **How did the reference benchmark differ from a broad market index?**

N/A. No specific index has been designated as a reference benchmark to meet the sustainable investment objective.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**

N/A. No specific index has been designated as a reference benchmark to meet the sustainable investment objective.

- **How did this financial product perform compared with the reference benchmark?**

N/A. No specific index has been designated as a reference benchmark to meet the sustainable investment objective.

- **How did this financial product perform compared with the broad market index?**

N/A. No specific index has been designated as a reference benchmark to meet the sustainable investment objective.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.