



WCAS

**RESPONSIBLE
INVESTMENT REPORT**

ISSUED OCTOBER 2023



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LEADING WITH COMMITMENT

To Our Investors and Partners,

We are pleased to share our annual ESG Report, which details our approach to the financially material environmental, social, and governance considerations impacting our firm and our portfolio companies. This report provides even greater detail than our previous reporting as a reflection of the continued evolution and expansion of our ESG practice. We have always believed in investing responsibly, from our founding through the adoption of our ESG Policy a decade ago. Over time, we have built an ESG program focused on building long-term, resilient value – for our portfolio, our employees, our communities, and you.

In our view, there is a positive correlation between financial performance and corporate, social, and environmental responsibility. We have integrated these considerations in our investment diligence and encouraged our portfolio companies to take similar responsibility in their operations. Throughout the past year, we have continued to progress our ability to measure ESG performance and advance ESG maturity at each portfolio company. We have leveraged our Resources Group to drive investment value in the healthcare and technology sectors, growing our impact as we grow our portfolio. And, we have maintained and expanded our commitment to fostering diversity & inclusion (D&I) in the investment industry.

We are proud of our role in enhancing the sustainability, equity, and integrity of our target investment sectors. Going forward, we will seek to make continued progress in our ESG and D&I programs, both throughout our portfolio and inside our firm. We thank you for your partnership and support on this valuable journey.





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RESPONSIBILITY AND ACTION

WCAS

OUR FIRM

Differentiated by a consistent focus.

As pioneers in private equity, WCAS benefits from a long history of specialized investment in healthcare and technology to fuel portfolio growth.

We support this experience with a dedicated team that prizes the relationships we have made throughout our target sectors. Our growth mindset and improvement orientation are realized through these partnerships and our own operational expertise.



40+ YEARS

190+ PORTFOLIO COMPANIES

\$33 BILLION

~49,000 PORTFOLIO COMPANY EMPLOYEES

105+ PEOPLE

60%+ REPEAT MANAGEMENT TEAMS

Distinctive Culture: The Welsh Carson Way

WCAS’s Founders fostered a unique culture centered on respect and collaboration that we believe is crucial to our long-term success.

The special nature of “The Welsh Carson Way” is palpable to those who encounter it, facilitating several competitive differentiators for the recruiting and retention of top talent:

RELATIONSHIPS.

Long-term relationships are the foundation of our success, and management teams are an extension of the WCAS family.

RESPECT.

We believe the best decisions result from respectful debate from diverse perspectives to drive continuous improvement and innovation.

RESPONSIBILITY.

We seek to adhere to the highest ethical standards, to perform at the highest levels, and to achieve work-life balance.

OUR APPROACH TO ESG

The first decade of WCAS ESG:
Continuous improvement of our ESG engagement.

2013	2014	2018	2019	2020	2021	2022	2023
 <p>Adopted formal ESG Policy</p>	 <p>Formed initial partnerships with TOIGO & SEO</p>	 <p>Launched annual ESG team training</p>	 <p>Implemented third-party ESG diligence for potential new investments</p>	 <p>Acted as a founding signatory of ILPA Diversity in Action</p>	 <p>Became a signatory of PRI</p>	 <p>Joined as a member of EDCI and submitted portfolio company data from our annual ESG survey</p>	 <p>Work with Malk on strategic ESG initiatives</p>



OUR APPROACH TO ESG

Our ESG Policy

CONSIDER

material ESG issues affecting our portfolio both pre- and post-acquisition

GROW AND IMPROVE

our portfolio for long-term sustainability through strong governance of ESG considerations

BE ACCESSIBLE

to, and engage with, a range of stakeholders on opportunities and challenges

ENSURE

that portfolio company managers are able to maintain appropriate levels of oversight

REPORT

to our Limited Partners regarding the actions taken to address ESG factors and foster transparency with our portfolio

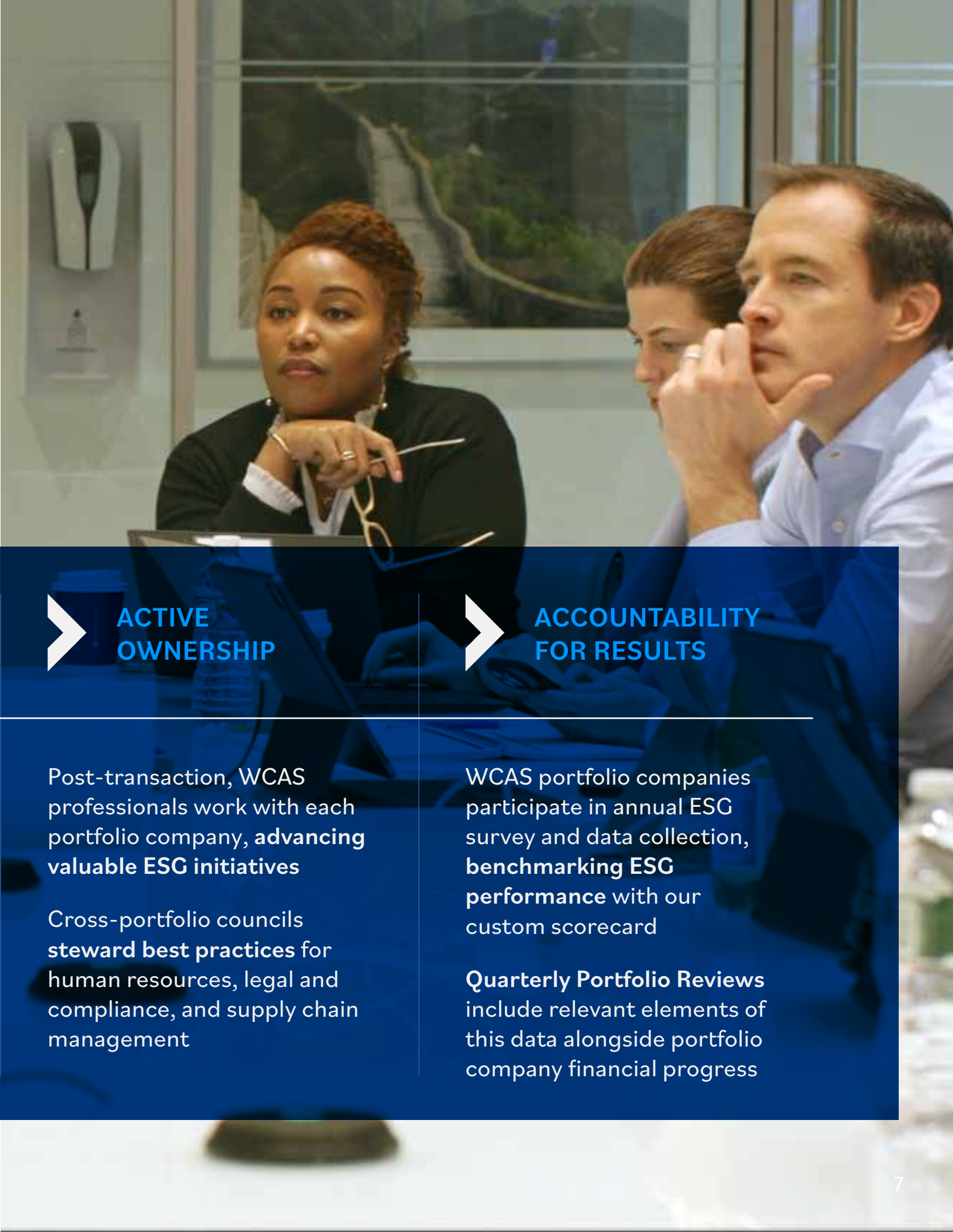
ENCOURAGE

portfolio companies to advance the principles outlined in this Policy in concert with fiduciary duties



ESG INTEGRATION IN OUR INVESTMENT PROCESS

Full-cycle implementation and focus. ESG principles have been institutionalized as part of WCAS’s investment and company-building processes. We continually focus on environmental, public health, safety, social, and governance initiatives with the goal of enhancing performance and minimizing adverse impacts.



OPERATIONAL MINDSET

Functional expertise supports our value-add. Our toolkits for achieving portfolio growth - and advancing our ESG and D&I performance - are powered by our seasoned Resources Group.



WCAS's Resources Group consists of 40+ professionals, bringing deep experience and highly specialized sector knowledge in both healthcare and technology. These professionals are tightly integrated with our Industry Groups and participate throughout the lifecycle of a deal.

The expertise of these individuals and many of their cross-portfolio initiatives align with material areas of ESG and D&I considerations for our portfolio.



AREAS OF FOCUS FOR THE WCAS RESOURCES GROUP



Case Study: Our Standards for Advanced Cybersecurity

As healthcare and technology sector investors, we feel a great sense of responsibility to proactively support our portfolio companies in achieving cyber safety:

- In 2022-2023, our Resources Group developed a specialized set of minimum **data privacy and cybersecurity requirements**, which consider value to the business and impact
- Guided by these standards, we partnered with a third-party provider to perform a **strategic assessment of the portfolio** focused on Detection, Response, Remediation, and Prevention
- The assessment allowed us to develop **individualized security roadmaps** for each portfolio company
- With these improved strategies, we then helped each portfolio company optimize their cyber insurance - resulting in **lower premium rates and improved terms at many of our companies**

GOVERNANCE

Leadership driving valuable action. WCAS is proud to bring together diverse perspectives from throughout our Firm to advance a functional, value-add roadmap for our ESG and D&I programs.

ESG COMMITTEE

- Jeff Gallant** | (Chair) Operating Partner
- Fran Higgins** | General Partner
- Greg Lau** | General Partner
- Eric Lee** | General Partner
- Othon Prounis** | Acting General Counsel
- Emily Victor-Smith** | Principal
- Sean Hsu** | Operating Associate

D&I COMMITTEE

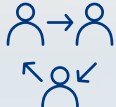
- Mia Jung** | (Co-Chair) Talent Partner
- Kristin Schroeder** | (Co-Chair) Operating Partner, Talent
- D. Scott Mackesy** | Managing Partner
- Eric Lee** | General Partner
- Jeff Gallant** | Operating Partner
- Olubusola Aibana** | Controller
- Adrian Cabrera** | Principal
- Arnaud Cohade** | Principal

- Set our ESG and D&I program mission
- Determine appropriate metrics for surveys and scorecards
- Our ESG and D&I initiatives are regularly communicated to our Limited Partners

SPECIALIZED FUNCTIONAL COUNCILS



Human Resources



Supply Chain



Information Technology



General Counsel

- Turn goals of the ESG and D&I Committees into actionable portfolio initiatives
- Conduct in-person sessions to review WCAS policies, share best practices, and set annual expectations
- Bring in outside experts to share marketplace ESG trends and brainstorm on new opportunities

PORTFOLIO COMPANIES

- Benefit from our strategic direction and functional support
- Advance their ESG maturities at levels appropriate for each business
- Participate in annual data reporting for transparency to our Limited Partners and the industry

DIVERSITY & INCLUSION

A commitment to continuous improvement. Relationships matter, and we believe bringing together a variety of voices elevates our workplace, our performance, and our portfolio’s ability to grow.

Foundations of Our D&I Approach

- Informed by thoughtful research into industry best practices and partnership with leading-edge external D&I organizations
- Inclusive D&I Committee with champions who take accountability for our four Pillars of D&I
- Data-driven to identify the most material continued improvement areas for our firm and each portfolio company
- Complemented by training, education, and open discussion both within WCAS and for our portfolio companies



NEAR-TERM GOALS

- Support portfolio companies in developing recruiting strategies that optimize their pool of talent, including diverse candidates for Board and C-Suite searches
- Conduct a D&I goal-setting workshop at our annual portfolio company CHRO offsite
- Provide our D&I Toolkit to facilitate each portfolio company's ability to achieve WCAS standards
- Within our firm, complete an annual ESG and Unconscious Bias training and support inclusivity / volunteer events
- Maintain WCAS relationships with firms that advance diverse pipelines of talent for us and our portfolio

DIVERSITY & INCLUSION FIRM PROFILE



WCAS PROGRESS SINCE 2018



42%

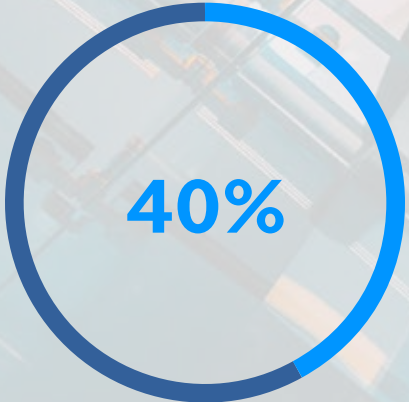
of Investment Professional hires have been from underrepresented groups and/or female



70%+

of promotions have been from underrepresented groups and/or female

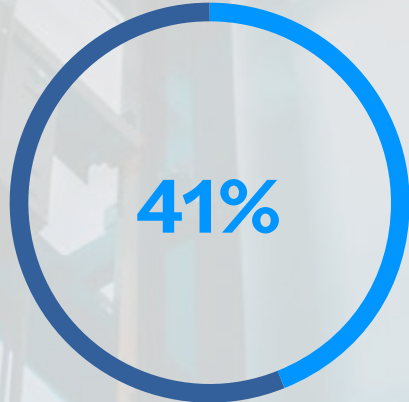
CURRENT WCAS DEMOGRAPHICS



Investment Professionals identifying from underrepresented groups and/or female



Employees from underrepresented groups



Employees identifying as female

As of December 31, 2022.

D&I PARTNERSHIPS

Meaningful commitments. WCAS, its General Partners, and its employees actively participate and contribute to several organizations which foster increasing diversity and inclusion in the private equity industry.



ADDITIONAL PARTNERSHIPS



Sponsor and partner of SEO for over 8 years, including Board representation by one of our team members

6 WCAS Investment Professionals have been SEO Alumni sourced through their Alternative Investments Fellowship Program (AIFP)



WCAS team member serves on the Board

Sponsored TOIGO summer internships over last six years



Sponsor of the Norman Mineta Fellowship Program



Sponsored summer internships over the last five years



Sponsor Support



Co-founded by Mia Jung, Talent Partner

Corporate Sponsor



Corporate Sponsor



Corporate Sponsor

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PORTFOLIO AND PERFORMANCE

WCAS

ESG SURVEY AND SCORECARD

Annual benchmarking powers improvement. We have built and refined an annual ESG evaluation process to track progress of financially relevant ESG factors for our portfolio and benchmark the results to industry peers.

It is our intent to support our companies in considering social, ethical, and environmental issues in a manner consistent with our fiduciary duties. By developing regular ESG analyses, we foster transparency in our reporting to our Limited Partners and nurture a culture of continuous improvement.



Regular ESG reporting also allows us to establish portfolio company performance benchmarking through our participation in the ESG Data Convergence Initiative (EDCI).



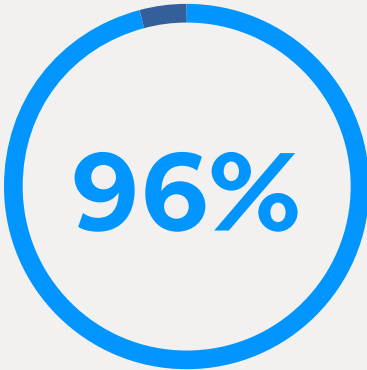
2022 Portfolio ESG Survey

OVERVIEW

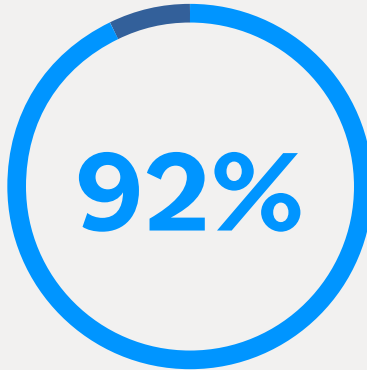
25 PORTFOLIO COMPANIES PARTICIPATING*

100% OF SURVEYED PORTFOLIO COMPANIES RESPONDED

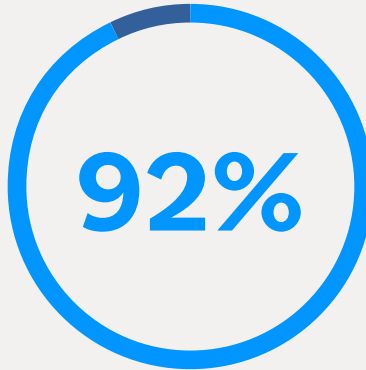
POLICIES AND PROCESS



have an ESG Policy



have a D&I Policy



reported on Scope 1 and 2 GHG Emissions

* Includes all 25 portfolio companies across all active funds, with standardized metrics collected for our healthcare and technology portfolios.

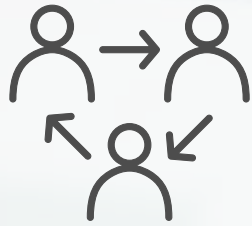
2022 ESG SURVEY CONTINUED

ADDITIONAL PORTFOLIO PROGRESS*



67%

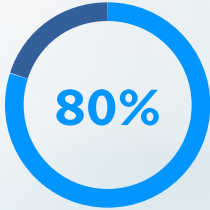
of companies have a waste management or recycling program



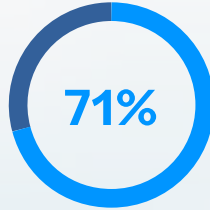
1,092

net new hires (ex M&A) across the portfolio

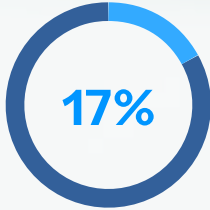
EMPLOYEE ENGAGEMENT AND PROFILE



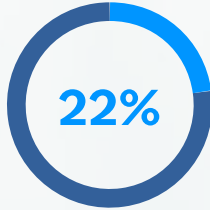
conduct employee engagement surveys



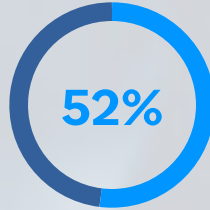
offer enhanced wellness programs



of Board Directors identify as female



of C-Suite Executives identify as female



of all employees identify as female



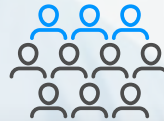
88%
of companies offer WFH options



18%
of Board Directors are from underrepresented groups



7%
of C-Suite Executives are from underrepresented groups



34%
of all employees are from underrepresented groups

* Data represented is from portfolio companies who responded to the 2022 ESG Survey.

TECHNOLOGY - OUR PORTFOLIO AND ESG

Impact through investment. Our leadership helps advance ESG at our portfolio companies as well as in the broader technology industry.

ESG-Relevant Factors Powering the Need for Technology Investment

The technology sector enables innovative new categories of companies that are disrupting traditional business models and creating investable opportunities. These expanding platforms also have broad ESG-related impacts including supply chain transparency, equitable access to information and services, inclusivity for varied individual health needs, and improved regulatory compliance.

- 1** Increasing availability of digital platforms driving more diverse and more broad consumer access
- 2** Enhancing employee productivity and satisfaction by replacing manual functions with technology-driven automation
- 3** Addressing organizations' desire for more information and data in order to improve decision-making and efficiency
- 4** Delivery model shifts from primarily hardware and outsourced labor-centric services to software-enabled and data driven solutions
- 5** Lowered costs of ownership that improve the value proposition for customers



TECHNOLOGY AND ESG: CASE STUDIES

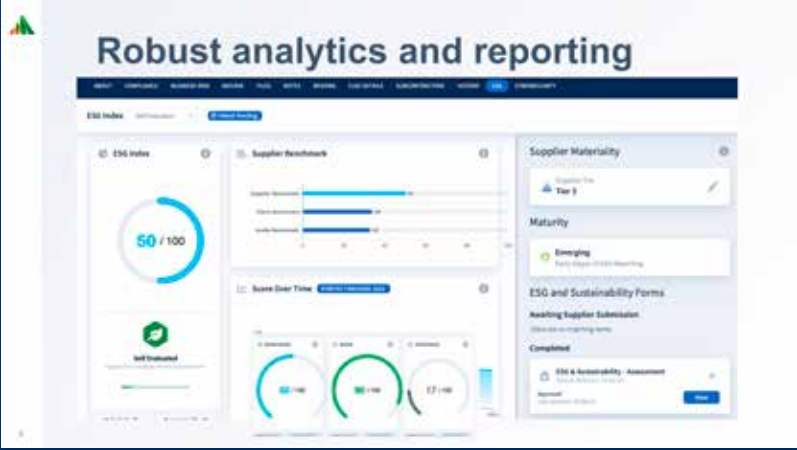
WCAS Portfolio Company: Avetta

Avetta is the leading global provider of safety, compliance, risk management, and ESG solutions for the worldwide supply chain.



- Avetta’s software enables multinational companies to screen hundreds of thousands of suppliers and contractors through a global risk management framework with specialized location and trade-based compliance requirements.
- This active surveying ensures compliance with governmental and regulatory requirements while supporting ESG reporting.
- Avetta’s software platform automates audit and document review to quickly onboard and confirm compliance with key safety, regulatory, and ESG standards. Avetta’s team of experts work with suppliers to meet and exceed industry and client standards.
- Avetta further helps its clients align these metrics with global ESG best practices set by TCFD, the World Economic Forum, GRI, ISSB, CDP, and the UN Sustainable Development Goals.

- The company has a patent pending for automated ESG mapping, providing a proprietary risk score based on material factors set by each partner’s size, country, and industrial sector.



AVETTA BY THE NUMBERS

450
GLOBAL
CLIENTS

130,000
SUPPLIER
COMPANIES IN
OUR DATABASE

1.5 MILLION
EMPLOYEES REPRESENTED

130
COUNTRIES

40
LANGUAGES
SUPPORTED



In 2023, Avetta's Lead Sustainability & ESG Principal, Katie Martin, won a Supply & Demand Chain Executive 2023 Pros to Know Award for helping clients and suppliers enhance their sustainability impact.

TECHNOLOGY AND ESG: CASE STUDIES

WCAS Portfolio Company: Absorb

Absorb LMS is the leading provider of cloud-based learning and performance software to businesses, higher education, government and non-profit agencies around the world. Absorb Software created Absorb Ally Chats, a series of online events to correspond with global D&I events as a commitment to D&I and to give back to its customers and society.



Absorb’s Chairperson and Chief Executive Officer, Kimberly Williams, provided perspective:

Q: The Ally Chat series is such a unique approach to driving the global conversation around diversity and inclusion. Why did you feel Absorb was particularly well-suited to launch such an effort?

A: First, we are so proud of the Ally Chat series as a means to educate and inspire participants to progress diversity, equity, and inclusion in the workplace. Many of our customers choose Absorb’s Learning Management Systems specifically to address these efforts. In fact, we believe the Learning Management System has become a cornerstone tool in raising awareness about D&I, combatting unconscious bias, and providing career advancement education. We felt like we were really at the hub of so much conversation and learning on these topics and launched the Ally Chat series to facilitate global collaboration.

Q: What did the program entail?

A: Our goal in creating these chats was to change the conversation about D&I and break down silos and communication barriers. Ultimately, we believe that creating an inclusive culture of success is critical to improving company performance and reducing turnover – so, the impact of these Ally Chats was two-fold. Our events schedule stretched over 7 open-attendance online panels throughout 2022, together gaining the participation of 1,200 people.

Q: What is the imperative for events like Absorb’s Ally Chats?

A: Statistics show us that 75% of working adults agree there’s still inequality and unconscious bias in the workplace. And, only 1 in 3 workers feel they have equal access to knowledge and career opportunities. Our whole business model is built on delivering better learning through easy-to-use, personalized, AI-driven technology. If we can apply the same force of content and engagement around D&I topics – in an informal, accessible way – then we are not only being even stronger partners for our customers, but more responsible and impactful industry participants.



WCAS was proud to co-sponsor 3 events in recognition of International Women’s Day, the UN International Day for the Elimination of Racial Discrimination, and the International Day Against Homophobia, Transphobia, and Biphobia.

HEALTHCARE - OUR PORTFOLIO AND ESG

Impact through investment. As in the technology sector, WCAS healthcare portfolio companies are also advancing ESG.



WCAS Healthcare Investment Guiding Principles

We seek to grow high-quality healthcare companies that improve access to care; foster connectivity between payers, providers and their patients; and improve patient engagement and satisfaction.

WCAS invests in and works to build companies that:

- 1 Deliver outstanding clinical quality and patient outcomes
- 2 Deliver measurable economic value to customers and business partners
- 3 Increase capacity and access to care for patients and caregivers
- 4 Provide positive stakeholder experiences, validated by best-in-class measures of satisfaction such as Net Promoter Scores
- 5 Drive innovation
- 6 Continually seek operational excellence and efficiency
- 7 Have a strong culture of compliance



The Health Management Academy (THMA), an affiliate of WCAS, affords us differentiated insight into the priorities and challenges of the largest U.S. health systems.

THMA members represent over 75% of all U.S. hospital patient revenue, and our involvement provides access to executive-level decision-makers in the space. This access allows us to identify unmet needs in the healthcare sector and helps us accelerate the growth and impact of our portfolio companies.

125+ HEALTH SYSTEM MEMBERS	185+ INDUSTRY MEMBERS	500+ ACTIVE C-SUITE EXECUTIVES
165 EMPLOYEES	65,000+ CONTACTS IN CRM DATABASE	

HEALTHCARE AND ESG: CASE STUDIES

Inaugural WCAS Quality Forum for Portfolio Companies

In 2022, in response to changing healthcare environments and the need for higher quality performance in the sector, WCAS hosted our inaugural Quality Forum.

Led by WCAS's Clinical Partner, Dr. Paul Taheri, our quality forum brought together the Chief Medical Officers and Chief Quality Officers from each of our portfolio companies to demonstrate how quality of care is incorporated into their daily clinical delivery. Our focus is on leveraging measurable, nationally accepted quality metrics and processes which demonstrate our commitment to quality. Our physicians are leaders in their respective specialties, but also recognize the need to deliver our patient care based upon nationally recognized metrics. When it comes to patient care what is critical is how it is delivered, not how it is financed. We shared the reporting tools and processes that we use to demonstrate and validate quality healthcare - the results of which we publish in the International Journal for Quality in Healthcare to serve as a peer review.

We were proud to facilitate discussion around quality patient care in an effort to elevate safety, effectiveness, and compassion throughout the sector.



WCAS's Quality Forum was led by WCAS Clinical Partner, Dr. Paul Taheri. He sits on the Boards of US Anesthesia Partners and The Health Management Academy.

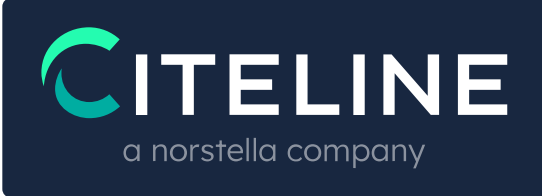
Prior to joining WCAS full time, Dr. Taheri was the Chief Executive Officer of Yale Medicine after being President and CEO of the University of Vermont (UVM) Medical Group as well as Senior Associate Dean for Clinical Affairs and professor of surgery.

Prior to UVM, he was Division Chief of Trauma, Burn and Critical Care, and Vice Chair of Surgery at University of Michigan in Ann Arbor.

Dr. Taheri is also the past chair of the Group on Faculty Practices for the Association of American Medical Colleges and an examiner for the American Board of Surgery.

HEALTHCARE AND ESG: CASE STUDIES

WCAS Portfolio Company: Norstella



Citeline, one of 5 brands under the banner of WCAS portfolio company Norstella, is proactively leveraging its industry-leading data to create a curated tool for large pharmaceutical companies, smaller

biotechnology firms, and organizations running contract trials to enhance the diversity of their trials and drive more inclusive results.



- The United States Food and Drug Administration (FDA) has published guidance for diversity in pharmaceutical clinical trials
- Citeline's Sitetrove Diversity Module combines robust clinical trial investigator and site intelligence with patient demographics, which institutionalizes the process of looking at diversity for every trial at the point of feasibility analysis
- Another Citeline solution called Citeline Connect provides multi-channel recruitment programs fueled by real world data, healthcare personnel outreach, and patient outreach through a collective of over 100 recruitment partners
- Citeline Connect's approach and technology helps sponsors focus on recruitment channels that are most likely to achieve their diversity enrollment targets

CITELINE'S DIVERSITY IMPACT IN ACTION

These service and data analysis offerings became clear during COVID-19 when a leading biotechnology firm was in the final stages of developing an advanced vaccine.

30,000
DIVERSE
PARTICIPANTS
ENROLLED

OVER 50%
MINORITY
POPULATION
VOLUNTEERS

FASTEST EVER RECRUITING
TRIAL IN THIS CLIENT'S HISTORY
48 DAYS
RECORD-SETTING RECRUITMENT

LOOKING AHEAD

As we look to the future for our work in both the healthcare and technology sectors, we continue to believe in the value-add of ESG.

We look to use the data we are collecting and analyzing – including carbon emissions, diversity, talent retention, and compliance metrics – to advance ESG and D&I performance in support of ultimate exit value. We expect to have portfolio companies select and seek to implement their own ESG goals, learning from our example and gaining success with our support.

In this way, we bring to bear our decades of experience to build businesses not only of scale but with resilience, responsibility, and engagement.



WCAS

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DISCLOSURES

It should not be assumed that any ESG factors, initiatives, standards, or metrics discussed herein will apply to each asset in which WCAS invests or that they have applied to each of WCAS' prior investments. ESG factors, initiatives, standards, and metrics are only some of the many considerations that WCAS takes into account when making investment decisions, and other considerations can be expected in certain circumstances to outweigh ESG considerations. The information provided herein is intended solely to provide an indication of the ESG factors, initiatives, standards or metrics that WCAS may apply when seeking to evaluate and/or improve the sustainability characteristics of an investment as part of the larger goal of maximizing financial returns on investments. Accordingly, certain investments may exhibit characteristics that are inconsistent with the factors, initiatives, standards, or metrics discussed herein. WCAS may modify its ESG-related activities, including ceasing any practices described herein, in whole or in part, at any time.

WCAS makes no claim that the investment vehicles it manages are ESG-focused, promote environmental or social characteristics, have ESG-based investment objectives, or that its business, funds, or portfolio companies are compliant with any third party ESG principles. In addition, WCAS makes no claim that it is responsible, in whole or in part, for the ESG initiatives of its portfolio companies. While WCAS collects certain ESG-related information from its portfolio companies, there is no guarantee that it will act on such information or that such information will have any influence on its investment decisions or management of any portfolio company.