

WCAS

**RESPONSIBLE
INVESTMENT REPORT**

ISSUED DECEMBER 2024

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EMBRACING RESPONSIBILITY

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 (ESG) considerations impacting our firm and our investment outcomes. Responsibility, integrity, and action have always been central to our ability to drive growth, and we have continued to build an ESG program focused on long-term resilience and value for our portfolio, employees, communities, and investors.

Since our last report, the WCAS team has engaged further with our portfolio and the industry on responsible investment factors most meaningful to healthcare, technology, and healthcare information technology companies. We were proud to continue stewarding best practices codified in the update of our ESG Policy, reflecting the formalization of our ESG commitments. We also were excited to share these practices with our peers and stakeholders through the firm's first reporting to the Principles for Responsible Investment (PRI). This reporting provided an additional layer of transparency and benchmarking in addition to our existing reporting to the ESG Data Convergence Initiative (EDCI).

In the past year, we further encouraged our portfolio companies to incorporate responsibility in their operations through the addition of two annual goals per company. We also continued to recognize the alignment of our value maximization efforts and sustainability, leveraging our expertise and in-house resources to advance ESG maturity at each portfolio company. Our Resources Group is working with WCAS companies to evaluate opportunities like renewable energy procurement and emissions reductions as well as potential challenges like climate change risk and regulatory demands to underscore investment value throughout the portfolio. And, we have maintained and expanded our commitment to fostering diversity & inclusion (D&I) - both in the WCAS family and in the broader investment industry.

We are proud of our role in enhancing the sustainability, equity, and leadership of our portfolio. 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.



**D. Scott Mackesy,
Managing Partner**



01

GOVERNING RESPONSIBILITY



WCAS

OUR FIRM

Differentiated by a consistent focus. As pioneers in private equity, WCAS benefits from a long history of specialized investments in healthcare, technology, and healthcare information technology to create investment value.

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.

45+
YEARS

\$33BN
CAPITAL

~100
PEOPLE

200+ PORTFOLIO COMPANIES

~47,000 PORTFOLIO COMPANY EMPLOYEES

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.

LONG-STANDING COMMITMENT

Year-over-year for over a decade, we have continued to advance our engagement around ESG best practices.



Formed initial partnerships with TOIGO & SEO



Implemented third-party ESG diligence for potential new investments



Became a signatory of PRI
Engaged third-party support for ongoing ESG performance



Issuance of inaugural RI Report

2013

2014

2018

2019

2020

2021

2022

2023

2024



Adopted formal ESG Policy



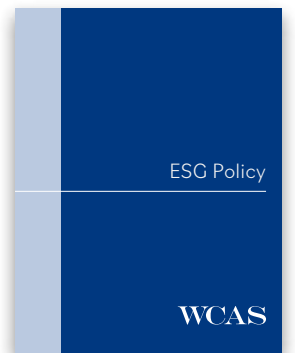
Launched annual ESG team training



Acted as a founding signatory of ILPA Diversity in Action



Joined as a member of EDCI and submitted portfolio company data from our annual ESG survey



Codified practices in enhanced ESG Policy

ENHANCED POLICY

A methodical approach. In our responsible investment strategies, WCAS has prioritized policies and processes that benefit our portfolio and our stakeholders.

Our ESG Philosophies

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 within our portfolio

ENCOURAGE

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

Codifying Our ESG Approach

In 2024, we enhanced our ESG Policy, formally articulating the elements of our approach. This update further demonstrated our consideration of material ESG issues throughout the investment process and affirmed WCAS's commitment to responsible business practices.

Key Components:

- Responsibility & Oversight
- Pre-Investment Due Diligence
- Material ESG Risks and Opportunities
- ESG Integration in Value Maximization Planning
- Commitment to Transparency
- Investor Reporting

[Our full ESG Policy is available on the WCAS website.](#)

ADVANCED PROCESS

Dedicated resources and purposeful strategies. ESG principles are fully integrated in WCAS's approach to investment value creation. We continually focus on environmental, public health, safety, social, and governance initiatives with the goal of enhancing performance and minimizing adverse impacts.

WCAS's ESG Ecosystem

WCAS Investment team

Implements WCAS's ESG practices through the lifecycle of each investment, incorporating ESG in our Value Maximization planning and tracking to progress in our Quarterly Portfolio Reviews

WCAS Resources Group team

Provides functional support for ESG and D&I strategies, with direct portfolio engagement to advance performance on key factors for each investment

ESG Committee

Sets our ESG program mission - with regular communication to our Limited Partners - including determination of appropriate metrics for surveying and scorecard

D&I Committee

Functions in alignment with the ESG Committee, focusing on relevant D&I factors through dedicated subcommittees that foster accountability, measurement, and progress

Third-party ESG Pre-Investment diligence

Brings in deep sector knowledge on specific topics, identifying red flags or opportunities for value creation prior to WCAS's investment and for our Investment Review Committee

Specialized Portfolio Company Events

Conduct sessions around Human Capital, General Counsels, Technology, RCM and Supply Chain Management to review policies, set goals, and share best practices and expertise

External Reporting

Creates accountability for results, with ESG data benchmarking through our participation in EDCI and transparency to our Limited Partners via meetings and calls

LEADERSHIP AND ACTION



Healthcare Quality Forum

Our second annual Healthcare Quality Forum brought together leading healthcare stakeholders for insightful discussions centered on high quality care and a patient-centered approach.

- Spearheaded by WCAS clinical partner and former CEO of Yale Medicine, Dr. Paul Taheri
- Executed in partnership with The Health Management Academy (see page 19) and featured the executive leadership of WCAS portfolio companies
- Demonstrated the data-driven foundation of WCAS’s commitment to quality patient care
- Included over 70 experts from hospitals, healthcare companies and graduate medical schools nationwide

Supply Chain Playbook

Over the past year, WCAS distributed a Procurement Launch Program Playbook to our portfolio companies to provide leadership around this critical ESG factor.

- Established effective management of vendor relationships and spend to improve business controls while driving cost savings
- Recommended a resourcing model based on portfolio size, industry, and complexity
- Provided a toolkit with pre-vetted templates and materials to efficiently launch the new program
- Prioritized key activities with near-term impact

DIVERSITY & INCLUSION

Committed and focused. With leadership from our Managing Partner, WCAS’s D&I Committee exemplifies our well-governed approach. The Committee has identified four key workstreams of D&I, each overseen by an internal “champion” which promotes accountability and progress.

1. Portfolio Company Talent Diversity

Recent progress:

- WCAS measures and reports on executive leadership and Board diversity progress year-over-year
- All retained searches comply with our diverse candidate slate approach
- In 2025, we expect to share an annual scorecard charting portfolio company progress

2. Portfolio Company Measurement, Expectations, & Resources

Recent progress:

- WCAS coordinates D&I measurement along with our broader ESG surveying to maximize participation
- We support needs with a set of resources to drive progress

CHRO GOAL-SETTING WORKSHOP

WCAS’s HR Leadership Conference, held over two days, included guided discussion around Diversity & Inclusion, Benefits, and Organizational Health. Outside experts participated to bring current best practices to the conversations.

- Included ~30 representatives from across our portfolio
- Participating HR leaders self-identified their levels of seniority for more productive collaboration in intimate breakout sessions
- Shared information included each company’s biggest D&I opportunities, potential for connecting talent and culture, and setting priorities for greater employee satisfaction and retention
- Goal-setting focused on best practices relevant for each organization's optimal performance rather than simple percentages

3. Internal Recruiting

Recent progress:

- Continue to maintain external relationships that have been developed over many years to source diverse talent for WCAS
- Hosted events for organizations like SEO and Columbia Business School to help recruit in-demand talent while educating diverse groups of potential candidates on WCAS and the private equity industry.
- Diverse slate of Associate interview candidates with year-over-year reporting to demonstrate progress
- Formalized Associate Onboarding including training and 1:1 mentorship

4. Inclusion & Community Engagement

Recent progress:

- Successfully completed Unconscious Bias training across the firm
- Selected a provider to integrate this training as part of onboarding for all new hires
- Continued to participate in a variety of private equity conferences aimed at advancing diversity in our industry
- Organized firmwide volunteerism and opportunities to give back

ADVANCING OUR FOCUS ON INCLUSION

100% of WCAS team completed Unconscious Bias training in the past year

~60% of WCAS's 2024 Associate class was from underrepresented backgrounds and/or female

WCAS PROGRESS SINCE 2018

44%
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

40%
of WCAS Investment Professionals identifying from underrepresented groups and/or female

27%
of WCAS Employees identifying from underrepresented groups

45%
of WCAS Employees identifying as female

Data as of October 31, 2024.

EXTERNAL ENGAGEMENT

Meaningful commitments. WCAS, its General Partners, and its employees actively participate and contribute to organizations which seek to foster increased diversity and inclusion in both our communities and our industry.

LONG-STANDING PARTNERS



Sponsor and partner of SEO for over 9 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 7 years

ADDITIONAL PARTNERSHIPS



Sponsor of the Norman Mineta Fellowship Program



Corporate Sponsor



Sponsored summer internships over the last 5 years



Co-founded by Mia Jung, WCAS Talent Partner

Corporate Sponsor

WCAS Volunteer Day



The Chairman of Partnership Schools and WCAS co-founder Russ Carson hosted a lunch and learn for our team with an emphasis on the importance of philanthropy and how to drive community engagement. After the discussion, WCAS team members put together backpacks with summer reading and other gear for several hundred of Partnership Schools' students who live in underserved communities across New York City and Cleveland.

PORTFOLIO ENGAGEMENT

Engagement to advance performance. We steward our ESG and D&I principles to our portfolio directly via the expertise and action of our Resources Group.

WCAS's Resources Group consists of 30+ 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 aligns with material areas of ESG and D&I, garnering greater attention for these critical areas throughout our portfolio.

AREAS OF FOCUS FOR THE WCAS RESOURCES GROUP



Supporting Portfolio Progress

Over the past year, the WCAS Resources Group worked with each portfolio company's leadership team to establish at least two material ESG and/or D&I goals. These goals integrate ESG principles in our value creation and empower the portfolio to make the most meaningful changes for each company. Sample goals include:

- Reduction of impact from climate change and increasing contribution to sustainability issues worldwide
- 50% reduction in Scope 1 and 2 GHG Emissions in 13 years from 2019 baseline
- Program to ensure average pay of employees in various demographic and occupational subgroups (e.g., gender and racial/ethnic minority) is equal and prioritized
- Formal recognition programs to encourage community service and volunteerism
- Promoting ESG values through the implementation of a comprehensive employee training program
- Diversity training to be added for all managers on an annual basis
- SOC2 certification to be obtained for offshore vendor

02

PORTFOLIO AND PERFORMANCE



WCAS

ESG SURVEY AND PROPRIETARY SCORECARD

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

It continues to be 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).



2023 Portfolio ESG Survey

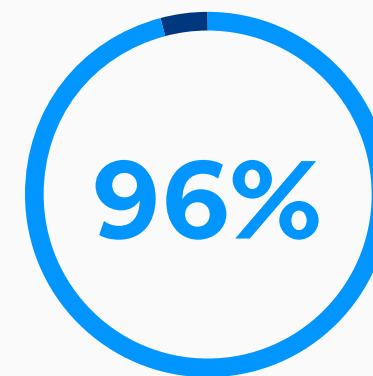
OVERVIEW

100% PORTFOLIO COMPANIES PARTICIPATING*

89% OF SURVEYED PORTFOLIO COMPANIES COMMITTED TO IMPROVEMENT THROUGH SET GOALS

* Data represented is from portfolio companies who responded to the 2023 ESG Survey.

POLICIES AND PROCESS*



have an ESG Policy



have a D&I Policy



reported on Scope 1 and 2 GHG Emissions

Additional Portfolio Progress*

100%

OF SURVEYED COMPANIES MAINTAINED OR IMPROVED THEIR SCORECARD PERFORMANCE YOY**

81%

COMPLETED AN EMPLOYEE ENGAGEMENT SURVEY

~2,800

NET NEW HIRES ACROSS THE PORTFOLIO

* Data represented is from portfolio companies who responded to the 2023 ESG Survey.

** The WCAS ESG Survey and resultant scorecard is based on a customized set of material metrics included in the Holtara ESG Health Check assessment. Each company is scored on a question-by-question basis. Questions receive a perfect score when the answer fully complies with the relevant ESG frameworks addressed within the Health Check (EDCI, SFDR, TCFD, and others).

Portfolio Employee Profile



21%

of C-Suite Executives are from underrepresented groups



35%

of all employees are from underrepresented groups

THE VALUE OF ESG

Cloud Migration

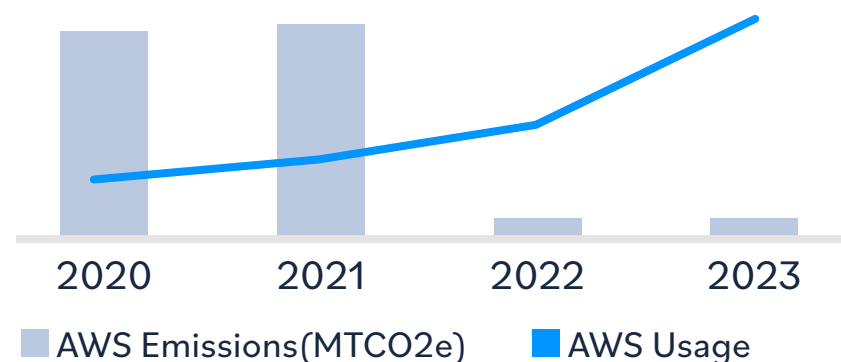
Over the past year, the WCAS portfolio of technology companies has been migrating its computational operations to cloud-based environments. This change serves to create a secure location for information technology while also significantly reducing the GHG emissions related to each company's in-house operations.

REDUCING ENVIRONMENTAL FOOTPRINTS

- The optimization of power at cloud-based solutions like Amazon Web Services (AWS) and Microsoft Azure is significant relative to traditional data centers
- Traditional data centers create protective redundancies by over-provisioning equipment. Cloud based solutions have more efficient use of hardware and often powerful, specially designed chips which are designed to decrease usage by more than 30%
- The net result is a reduction in overall power usage, in addition to meaningfully reduced risk of cybersecurity incidents

MIGRATION TO AWS*

In 2021, AWS instituted several renewable energy projects. Given these, WCAS portfolio companies were able to reduce their carbon footprint for IT workload by 91% while increasing cloud usage 274%.



The estimate includes both Scope 1 and Scope 2 emissions, and was calculated by following the GHG Protocol Scope 2 guidance for the market-based method. It covers full usage of AWS services in the 2020 - 2023 period for the accounts associated with WCAS portfolio companies. A substantive number of Amazon's renewable energy projects came online at the end of 2021 leading to electricity consumed in 19 AWS regions becoming attributable to 100% renewable energy in 2022. In 2023 AWS achieved its goal to match 100% of the electricity it consumes with renewable energy.

Emissions data was provided to WCAS by AWS and has not been independently verified.

MIGRATION TO AZURE*

ImageTrend is migrating two data centers to Microsoft Azure's cloud-based platform. Given Azure's goal of being carbon neutral by 2025, the resultant rate of usage for the resources will become 0.

~700 METRIC TON CO₂ REDUCTION EXPECTED BY 2025



Quickbase is a leading cloud-based, no-code application development platform that empowers business users to build customized applications to manage bespoke projects with end-to-end visibility.



GovCIO is a rapidly growing provider of advanced technology solutions and digital services to the federal government.



ImageTrend is a mission-critical provider of SaaS-based electronic patient care reporting (ePCR) and record management system (RMS) solutions for EMS and fire departments across the United States.

The overall annual reduction in emissions from these efforts is equivalent to:



11 TANKER TRUCKS' WORTH OF GASOLINE



55 MILLION SMARTPHONES CHARGED



970 ACRES OF PLANTED FORESTS



A revenue cycle management (RCM) partner specializing in the management and resolution of complex claims including Veterans' benefits, workers' compensation, and healthcare.

Employee Engagement

As a unique platform predicated upon the strength of its largely remote workforce (~90%), EnableComp has been focused on a holistic approach to diversity and inclusion. In alignment with the organization's core values, their employee engagement is supporting a strong hiring and talent management approach, which is critical to EnableComp's ability to achieve investment growth.

HIGHLIGHTS OF ENABLECOMP'S D&I APPROACH

GOVERNANCE

- D&I Policy included in the Employee handbook, relaunched annually
- Full compliance with the presidential Executive Order on fair, equitable, and diverse hiring achieved in order to be eligible for state-affiliated customer support
- Tracking of supplier diversity, including Minority- and Women-Owned Businesses, in particular to meet the demands of large customer RFPs

TRAINING & EDUCATION

- Unconscious Bias training conducted organization-wide
- Psychological Safety training planned for leadership
- Online learning system made available with critical D&I topics
- Library of further resources and a "playlist " for managers planned in the near-term
- Virtual event series focused on women in healthcare finance leadership

ACTIVE EFFORT

- Specialized D&I questions embedded within the annual employee engagement survey
- Vendor partner retained to increase recruiting reach to underrepresented communities
- Monthly leadership reporting conducted on employee needs including the results of 30- and 70-day new hire surveying



EnableComp has been recognized as a Top Workplace in Tennessee for 6 consecutive years

55% of senior leadership and

43% of C-Suite is female

81% female workforce

Charting EnableComp's D&I Progress

YEAR ONE

➤ Orienting People Leaders (~130 individuals) to the concepts of D&I

YEAR TWO

➤ Broadbased awareness and engagement throughout the organization

BROADER IMPACT - THE ACADEMY

Impact through investment. WCAS healthcare portfolio companies are advancing ESG via our partnership with The Academy.

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

165
employees

500+
active C-suite
executives

65,000+
contacts in CRM database

LOOKING AHEAD

We continue to recognize the natural alignment of our work to create value and responsibly manage our investments with the principles of ESG. We look forward to building on the steps we have taken to codifying these commitments and integrating them into our portfolio engagement.

On behalf of our investors and broader stakeholders, we will continue to use ESG- and D&I-related data to add value to our companies. We are excited to partner with our portfolio leadership on the goals they have created to operationalize and capture the advantages of responsible investment. And, we are proud to lead from within - as we have throughout our firm's history - building companies, value, and sustainability for the future.





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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.