APOLLO

Impact in Focus

Apollo Impact Mission | Annual Impact Report 2022

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About the Apollo Impact Mission

The Apollo Impact Mission platform ("AIM," "we," or "the platform") seeks to achieve meaningful impact at scale, by pursuing private equity-like opportunities with the intention of generating positive, measurable social and/or environmental impact while generating attractive risk-adjusted returns.

We adhere to a rigorous impact investment philosophy that targets investments centered around two critical objectives — helping people and healing the planet.

Apollo is driving an evolution in the impact investing landscape by making later-stage impact investments. We employ the "classic Apollo" value-oriented lens and harness the full power of the firm to drive both financial and impact success at AIM portfolio companies.

A Message from the AIM Co-Heads

As the adage goes: The days are long, but the years are short. This certainly felt true for our team in 2022, and much of what has kept us busy is encapsulated in this document, the second annual impact report for the Apollo Impact Mission platform. Between further deployment and portfolio management, there was much to do, and we believe real progress was made in terms of driving positive impact.

This past year brought with it significant opportunity to engage on the blocking and tackling of impact management across our portfolio companies, building on work done in impact underwriting and value creation planning. We rolled up our sleeves, alongside our management teams, and are delighted to share with you both the early fruits of our efforts and a few key lessons from our work so far.

Importance of Clarity

Most of the businesses in the AIM portfolio were new to being owned with intentionality, and most were new to the very concept of impact. It is our job to make impact tangible and relevant to each management team. We have found that the combination of our diligence process, which involves rigorous inquiry into the fundamental impact of a business, and the collaborative development of our impact ownership plan yields deep understanding. Management acquires a new lens through which to view their business and its contributions to the world, as well as discrete objectives to pursue. We believe that this clarity inculcates an impact-orientation throughout each company, inspiring buy-in and hard work whereby everyone seeks to find opportunity in impact, to keep the wheel of progress turning.

Power of Quantification

Metrics have proven to be astonishingly effective at driving alignment and change. Apollo's culture is highly quantitative, and we have brought that focus to our impact strategy from the earliest days of its design. Quantifying impact has not always been straightforward, but with perseverance and creativity we have identified metrics that address the unique impact objectives and opportunities for each portfolio company in the AIM portfolio. This discipline has yielded a set of metrics that allows us to gauge progress in a clear and transparent manner on an ongoing basis. We have found that targets also have a way of enlivening competitive spirits, further driving management teams' pursuit of impact and financial objectives.

Embracing Complexity

Developing impact management plans has proven to be more complicated than we anticipated. In developing KPIs and targets, we have found that we cannot always measure what we want to measure and that getting quality data takes significant time and effort. This analysis inspires intense engagement and constructive debate. That said, there is no surer path to arriving at the best possible answer than engaging with a diversity of viewpoints along the way. Fortunately, this is a realm in which experience reaps benefits: Engaging in the process with one company helps inform the way we engage with the next, and we will continue to build on these learnings as we move forward.

Expecting the Unexpected

Finally, we are reminded of the inherent uncertainty in all things, including impact performance. Across the portfolio we faced a handful of unexpected events that affected specific KPI results. A lesson that one learns early and often in private equity is that we cannot predict the future, and that the path from start to finish is rarely straight. Whether it is in impact metrics or otherwise, we remain focused on the ultimate objectives while learning from the bumps along the way.

Looking Forward

Within AIM, we are keenly focused on identifying impactful businesses that we can add to the portfolio, as well as continuing to drive impact and financial value in the existing portfolio companies. More broadly across Apollo, investing through a sustainability prism continues to gain steam. AIM is at the forefront of the larger effort at Apollo to move impact considerations from the margins to the heart of the investment process. Gauging the impact of our investments is just the beginning; AIM's goal is to drive positive impact as well as strong returns.

Looking out into the rest of 2023 and beyond, we see a robust set of opportunities in front of us and aim to continue capitalizing on opportunities created by the recent and continuing market turmoil. As always, we will learn as we do.

Yours,

Marc Becker & Joanna Reiss

Apollo Impact Philosophy

We believe that private enterprise can — and should — be a powerful force for driving social and environmental change.

AIM invests in mature companies that exhibit *collinearity*, meaning the impact they have is intrinsic to their business model, and thus profit and purpose are mutually reinforcing and intertwined. For these businesses, impact is not a concession but rather a driver of financial performance. Working together, investors and management teams can enhance collinear performance through thoughtful ownership plans, rigorous measurement, and aligned incentives.

Potential investments must also demonstrate additionality and be made with intentionality. *Additionality* refers to whether targeted positive impacts would have occurred "but for" the investee company's existence (i.e., company additionality) or the platform's investment (i.e., investor additionality). *Intentionality* is the impact-oriented mindset of the investor, committed to driving social and environmental benefits.

Differentiating Impact and ESG

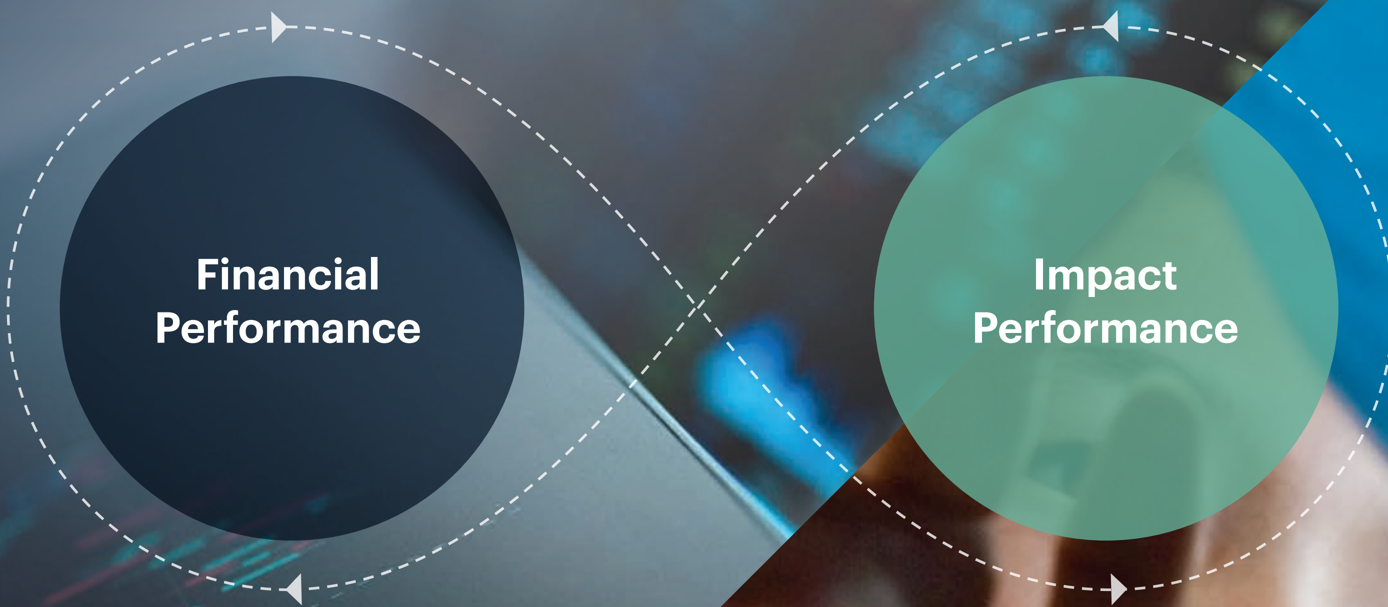
Impact and ESG are separate but related concepts, with different meanings and applications.

ESG refers to the Environmental, Social, and Governance factors used to evaluate a company's practices and influence on the world around it. Successful ESG integration entails analyzing a company's operations and identifying best practices across these areas to enhance financial value and increase the sustainability and responsibility of operations. We believe that ESG factors can be relevant to every business model and investment strategy.

Impact investing is an investment strategy targeting companies that generate positive and measurable social or environmental impact through their products and services, made with the explicit intention to drive that impact along with a financial return. Impact investing is a specific strategy that cannot necessarily be extended to all industries.

Collinearity

Business models where the impact is the driving force of financial success, and where financial success begets greater potential for impact.

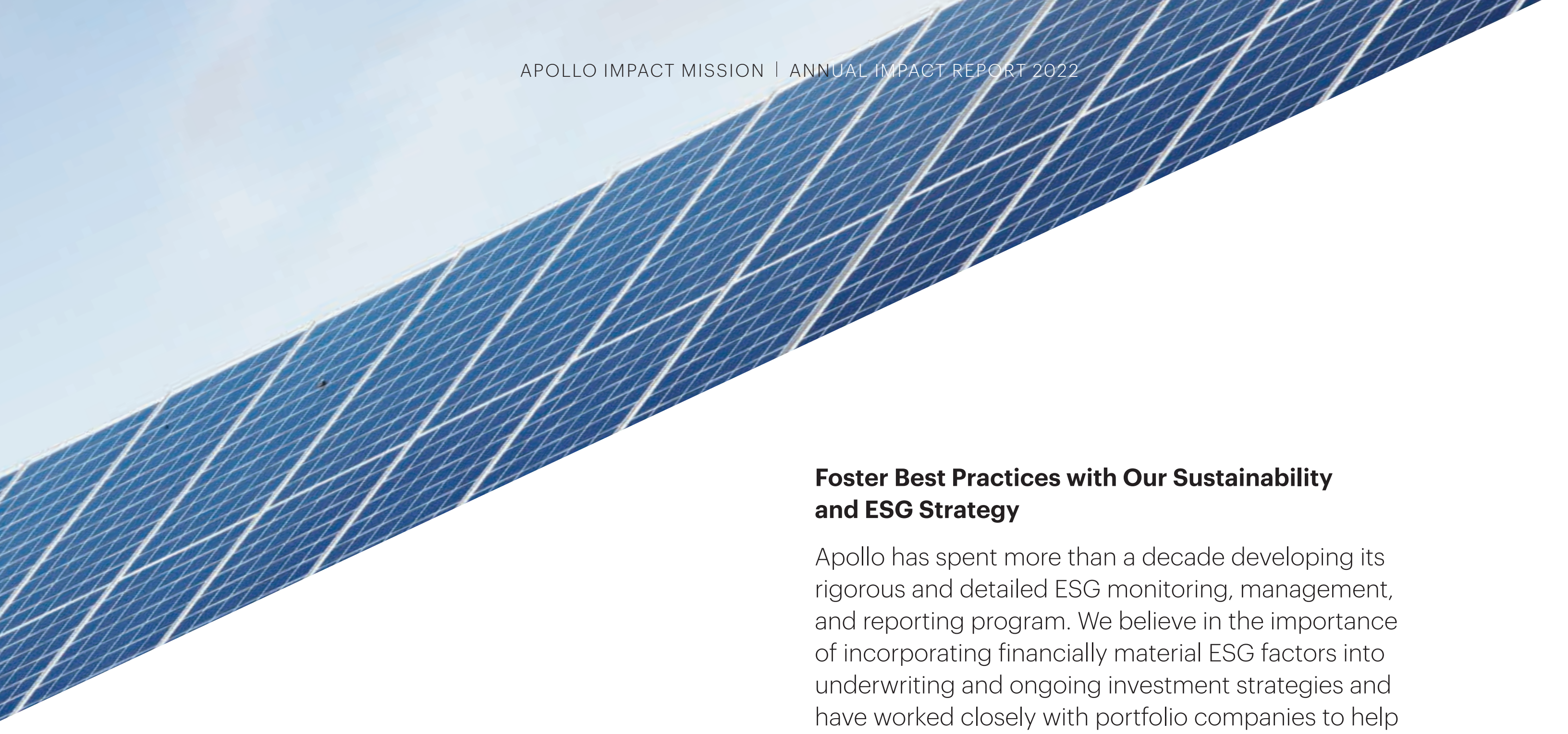


The Apollo Difference: Impact at Scale

Over the past 33 years, Apollo has established itself as a leader in the private equity industry. AIM is built on the foundation of Apollo's private equity experience, its integrated platform, and its Sustainability and ESG programs, the combination of which we believe positions AIM to execute on its mandate and establish the Firm as a leader in the impact investing space.

Drive Positive Impact at Scale by Focusing on Later-Stage Investments

Apollo is pursuing a differentiated approach that contributes to the evolution in impact investing by investing in later-stage, mature companies. Impact capital is largely missing from this cohort of businesses, despite the potential they offer for outsized impact alongside financial returns. By virtue of their operational scale, number of employees and suppliers, broad customer bases, and influence in the communities where they operate, mature companies can arguably create impact at a larger scale. Further, by applying an impact investing approach to mature enterprises, especially market leaders, we believe that entire industries can be transformed when the power of collinearity is proven out.



Leverage the Power of the Apollo Platform

We believe that a key advantage of our approach to investing is our ability to proactively help portfolio companies create value.

Apollo is a "hands-on" investor; we are actively involved in portfolio companies through board participation and a regular dialogue with management for the duration of each investment. Apollo works closely with management teams to enhance operations by attracting top-quality talent, helping to identify business optimization and cost-saving initiatives, identifying and executing follow-on acquisitions, focusing on technology and innovation opportunities, and optimizing capital structures.

Apollo believes that it has leading capabilities with respect to structuring investments. Our experience as a credit and distressed investor allows us to be creative in capital structure creation, where we seek the optimal balance of risk mitigation and upside potential.

Foster Best Practices with Our Sustainability and ESG Strategy

Apollo has spent more than a decade developing its rigorous and detailed ESG monitoring, management, and reporting program. We believe in the importance of incorporating financially material ESG factors into underwriting and ongoing investment strategies and have worked closely with portfolio companies to help them implement best practices.

We believe the Firm's Sustainability and ESG program provides a strong baseline infrastructure for AIM in terms of portfolio company engagement, monitoring, and reporting. Since 2012, over 190 portfolio companies have participated in Apollo's ESG reporting program. The Firm continues to invest in talent and tools with the goal of leading the industry in sustainability. During the year, Apollo expanded the breadth of its investment ESG due diligence process across asset classes, including building and deploying enhanced carbon assessment frameworks and ESG value creation playbooks for certain private equity investments and applying sector-specific ESG assessments for certain credit investments.

In 2022, Apollo launched a comprehensive Sustainable Investing Platform focused on financing and investing in the energy transition and decarbonization of industry. With the launch of the Sustainable Investing Platform, Apollo set a deployment target of $50 billion for clean energy and climate investments across asset classes by 2027 and sees the opportunity to deploy more than $100 billion by 2030; in 2022, $6 billion[1] was invested toward this goal. The AIM strategy is a cornerstone of the broader platform, and the enhanced focus across Apollo will bring even greater resources and capabilities to execute the AIM mandate.

1. Reflects (a) for equity investments: (i) total enterprise value at time of signed commitment for initial equity commitments; (ii) additional capital contributions from Apollo funds and co-invest vehicles for follow-on equity investments; and (iii) contractual commitments of Apollo funds and co-invest vehicles at the time of initial commitment for preferred equity investments; (b) for debt investments: (i) purchase price on the settlement date for private non-traded debt; (ii) increases in maximum exposure on a period-over-period basis for publicly-traded debt; (iii) total capital organized on the settlement date for syndicated debt; and (iv) contractual commitments of Apollo funds and co-invest vehicles as of the closing date for real estate debt; (c) for SPACs, the total sponsor equity and capital organized as of the respective announcement dates; (d) for platform acquisitions, the purchase price on the signed commitment date; and (e) for platform originations, the gross origination value on the origination date.

Helping People and Healing the Planet

Apollo Impact Objectives

AIM pursues a rigorous impact investment framework, targeting investments in developed markets to achieve two broad objectives — Helping People and Healing the Planet. AIM developed its five investment themes to address social and environmental impacts in alignment with the United Nations Sustainable Development Goals (“UN SDGs”), 17 goals aimed at addressing global challenges across a broad range of areas, including poverty, health, education, and climate change.

Economic Opportunity

Improving quality of life and expanding economic opportunity for underserved populations

UN Sustainable Development Goals:
- No Poverty
- Gender Equality
- Decent Work and Economic Growth
- Reduced Inequalities

Education

Providing tools to improve livelihoods through education and job preparedness

UN Sustainable Development Goals:
- No Poverty
- Quality Education
- Gender Equality
- Decent Work and Economic Growth
- Reduced Inequalities

Health, Safety & Wellness

Improving the quality of life for people through products and services that support their health and safety

UN Sustainable Development Goals:
- Zero Hunger
- Good Health and Well-Being
- Reduced Inequalities
- Sustainable Cities and Communities

Industry 4.0

Investing in innovation to transform industries, businesses, and communities to be safer and cleaner as well as more equitable, sustainable, and efficient

UN Sustainable Development Goals:
- Clean Water and Sanitation
- Affordable and Clean Energy
- Industry, Innovation and Infrastructure
- Reduced Inequalities
- Sustainable Cities and Communities
- Responsible Consumption and Production
- Climate Action

Climate & Sustainability

Investing in companies focused on addressing climate change, operating in the circular economy, improving the sustainability of natural resources and ecosystems, and clean energy, among others

- Clean Water and Sanitation
- Affordable and Clean Energy
- Industry, Innovation, and Infrastructure
- Sustainable Cities and Communities
- Responsible Consumption and Production
- Climate Action
- Life Below Water
- Life on Land

Underwriting Impact

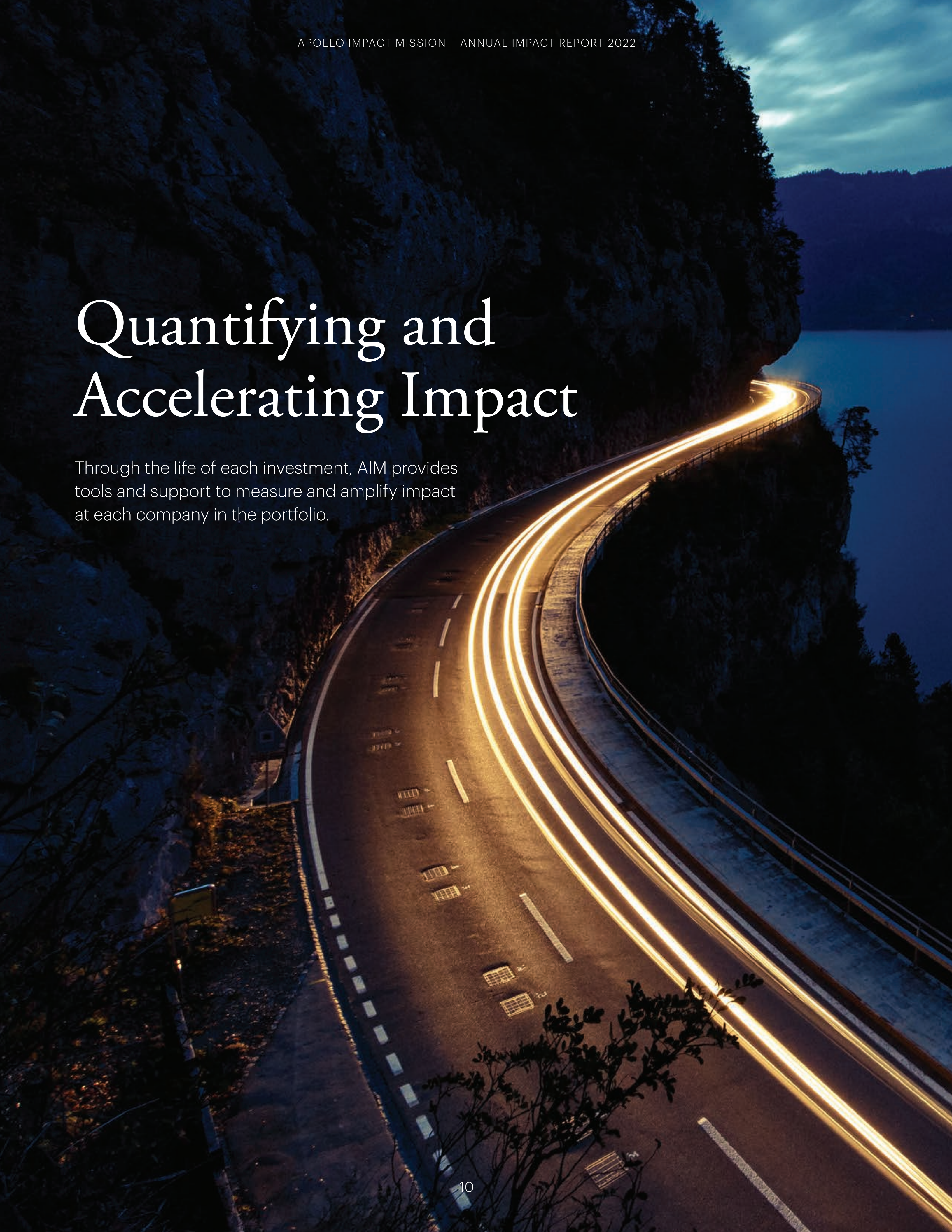
At AIM, we evaluate opportunities systematically. The first consideration is, and always will be, whether the company improves the lives of people or the health of the planet. Without that impact potential, we do not pursue investments further, as evidenced by a lack of impact being the reason for passing on 25% of the hundreds of investment opportunities to date.

AIM has established strict criteria to evaluate an investment's suitability and utilizes a disciplined process, leveraging threshold questions derived from the Impact Management Project's (IMP) Five Dimensions framework, to efficiently screen potential opportunities to ascertain which prospective investments merit additional due diligence. The IMP framework helps the team assess a potential investment's ability to be socially and/or environmentally impactful and to determine SDG and theme alignment.

For opportunities that meet the requirements of AIM's initial screening process, the investment team employs a rigorous impact underwriting framework, as well as Apollo's established private equity due diligence process. The impact underwrite encompasses an extensive review of both the company and its stakeholders, drawing on the target company's data as well as third-party research to develop a holistic view of the theory of change, substantiated by data. The team leverages third-party impact consultants, the Impact Advisory Committee and industry experts, seeking out alternative viewpoints to identify both impact pathways and risks.

Throughout the process, the team evaluates the linkage between a company's outputs to a quantifiable, scalable impactful outcome, while identifying any material risks, relevant mitigants, and potential areas for value creation. The findings of the impact diligence process are presented and evaluated in tandem with all other diligence at the AIM's Investment Committee meeting.

For each opportunity, the team determines an Impact Mission, which encapsulates the impact we believe a company can achieve. Progress is quantified throughout the life of the investment through company-specific Impact KPIs and the B Impact Assessment. We provide Limited Partners with periodic updates with respect to these KPIs, providing transparency throughout the investment lifecycle to investors.



Quantifying and Accelerating Impact

Through the life of each investment, AIM provides tools and support to measure and amplify impact at each company in the portfolio.

Impact Advisory Committee
AIM established an Impact Advisory Committee to work with the investment team to maximize the impact, and thus financial, performance of its portfolio companies. We leverage the Committee's expertise to challenge our approach, offer alternative perspectives, identify additional impact pathways, and surface investment opportunities. The Impact Advisory Committee is comprised of highly regarded experts in their respective fields who have a breadth of experience and knowledge that spans our impact themes.

B Impact Assessment ("BIA")
Shortly after acquisition, each portfolio company takes the BIA, a detailed assessment developed by B Lab, that measures the company's impact on its customers, environment, workers, and community. The BIA is a rigorous assessment of a company's impact (as well as factors we consider ESG) and has been used by over 150,000 businesses to date. We seek to improve each portfolio company's BIA score from acquisition to exit and require companies to retake the assessment on an annual basis. It has proven to be a powerful tool to not only evaluate a company's performance in these areas, but also provide specific and actionable areas to improve.

Impact KPIs
Post-closing of each investment, AIM and management define 3–5 company-specific impact KPIs aligned with the company's Impact Mission, including at least one negative externality. The KPIs typically align with the Impact Management Project's "How Much" dimension via reach (quantity) and depth (quality), and drive financial performance due to the underlying collinear business models of our companies. Impact KPIs challenge AIM and its companies to identify levers of both impact and financial performance, while establishing quantifiable goals to track outcomes. Impact KPIs are not simply a measure of operational performance; we strive to use them to measure and strengthen impact outcomes. As such, they have become a shared source of purpose and drive for our collective work as investment teams and portfolio company management.

Impact-Aligned Incentive Structure
Apollo ties a portion of its carried interest and of management's equity compensation to performance on impact objectives, a practice that was quite rare in private equity before the establishment of Apollo's impact platform but has recently drawn more practitioners. At each company, the KPI performance and BIA score as of exit is compared against the targeted levels set out at investment to determine how much of the impact-aligned incentives are earned. We view this alignment as central to achieving our objectives.

Operating Principles for Impact Management
Apollo is a signatory to the Operating Principles for Impact Management (the "Principles"), a global standard for impact investing that outlines best practices for impact strategies. In 2022, we published our second annual disclosure statement, which summarizes how our impact management processes align with the Principles.

In addition, pursuant to Principle 9, we engaged BlueMark to independently verify and evaluate our approach. BlueMark is a leading independent provider of impact verification services in the impact investing market. Of the eight assessed Principles, AIM's processes for seven were rated as having either "Advanced" or "High" alignment to the Principles by BlueMark. The verification process offers a space for reflection and learning as we strive to further develop our practices.

Heritage Grocers Group

Initial Investment
4/20/2022[1]

Overview
Heritage Grocers Group ("Heritage") is a leading Midwest and West Coast specialty grocery retailer with 85 total stores under the Tony's Fresh Market ("Tony's") and Cardenas Markets ("Cardenas") banners. The concepts, founded in 1979 and 1981, respectively, offer a differentiated value proposition to customers with high-quality food at affordable price points while providing Hispanic and ethnic offerings that honor diverse cultural traditions that are often unavailable elsewhere locally. Heritage has over 8,200 employees and sources products from over 900 vendors.

AIM Themes

Health, Safety & Wellness
Economic Opportunity

UN SDG Alignment

No Poverty
Zero Hunger
Good Health and Well-Being

Impact Mission
As a leading Hispanic-focused grocery retailer, Heritage provides a wide range of fresh, affordable and culturally relevant foods to disproportionately low-to-middle-income customers. By operating in underserved communities, Heritage increases its customers' access to nutritious foods, thereby contributing to their improved health and well-being.

76% of stores are located in low-income communities[2]

1. Cardenas Markets add-on investment closed on August 1, 2022.
2. Low-income census tracts, as defined by the U.S. Department of Agriculture as of October 2022.

AIM Portfolio Company
Heritage Grocers Group

Why It Matters

It is a long-established tenet of public health policy that a nutritious diet not only enables an individual's healthy growth and development but also reduces the risk of chronic diseases such as diabetes, heart disease, and some cancers. Yet, geographic barriers prevent millions of Americans from accessing healthy foods.[3]

Lack of access to healthy foods is experienced acutely by individuals living in low-income neighborhoods and communities of color. An estimated 18.8 million people live in low-income census tracts and are more than one mile in urban areas or 10 miles in rural areas from the nearest supermarket.[4] Grocery stores in low-income areas and communities of color are also less likely to stock healthy foods and typically offer lower quality items.[5] Specifically, Hispanic neighborhoods have 32% of the chain supermarkets found in primarily white neighborhoods, and Hispanic families are twice as likely to face food insecurity as white families.[6]

Affordability also poses a barrier. Research has shown that low-income communities are more likely to rely on cheap foods that are easily accessible but have little nutritional value.[7] Affordability is most acute for families in the lowest income quintile who spend an average of ~30% of their income on food.[8] More accessible small stores (e.g., convenience stores, bodegas) charge higher prices for fresh produce than grocery stores.[9] Consequently, low-income communities often pay higher prices for healthy food options than wealthier communities.

Increasing the number of grocery stores in low-income areas and communities of color can help address this issue. As a grocer located in primarily low-income areas, Heritage plays an important role in increasing the accessibility of healthy food in the communities where it operates. Research has found that individuals with greater access to supermarkets or a greater abundance of healthy foods in neighborhood stores consume more fresh produce and healthful items.[10] Heritage's stores offer a wide variety of produce and sell more produce relative to peers,[11] a healthful product mix we seek to reinforce under AIM's ownership.

3. U.S. Department of Agriculture, *Where Do Americans Usually Shop for Food and How Do They Travel To Get There? Initial Findings from the National Household Food Acquisition and Purchase Survey*, March 2015.
4. U.S. Department of Agriculture, Economic Research Service, Food Access Research Documentation.
5. PolicyLink, *The Grocery Gap: Who Has Access to Healthy Food and Why It Matters*, 2010.
6. Center for American Progress, *New Poverty and Food Insecurity Data Illustrate Persistent Racial Inequities*, September 29, 2021.
7. U.S. Office of Disease Prevention and Health Promotion, *Access to Foods that Support Healthy Eating Patterns*, 2020.

"Our customers come from a wealth of cultural backgrounds, and our success comes from helping them to feed their families. We are committed to providing the most authentic offerings and freshest products at affordable prices and at the same time we celebrate each unique food culture."

Doug Sanders | Chief Executive Officer, Heritage Grocers Group

8. U.S. Department of Agriculture, Economic Research Service, Food Prices and Spending, 2021.
9. U.S. Office of Disease Prevention and Health Promotion, *Access to Foods that Support Healthy Eating Patterns*, 2020.
10. PolicyLink, *The Grocery Gap: Who Has Access to Healthy Food and Why It Matters*, 2010.
11. 2020 Independent Grocers Financial Survey.

Reno De Medici

Initial Investment
10/26/2021

Overview
Founded in 1967 and headquartered in Milan, Italy, Reno De Medici ("RDM Group" or "RDM") is one of the largest producers and distributors of recycled cartonboard in Europe, with core markets in Italy, France, and Spain. The company's products are used in packaging for food, pharmaceutical, cleaning, and other products. RDM employs over 2,150 people across nine cartonboard mills, four specialized sheeting centers, and 10 sales offices across Europe, North America, and Asia. RDM was acquired through a take-private of a strong business at an attractive entry price, an opportunity created by a technical overhang on the stock caused by concentrated ownership. We saw the opportunity to use the business as a platform build-up to further consolidate the industry alongside driving organic growth.

AIM Theme
Climate & Sustainability

UN SDG Alignment
12 Responsible Consumption and Production
13 Climate Action

Impact Mission
By recycling used paper products into cartonboard for fiber-based packaging, which is in turn recycled at an 85% rate, RDM contributes to the circular economy, thereby decreasing waste, emissions, and raw material use, especially as it substitutes less sustainable plastic and virgin fiber packaging and increases the environmental efficiency of its operations.

95% of fibers in RDM's products are wastepaper

"Operating responsibly means looking beyond the traditional borders of the company and out into the world around us. Our sustainability efforts are not only beneficial to our business, they have long lasting impacts for the communities in which we operate, our partners, and the industry."

Michele Bianchi | Chief Executive Officer, Reno De Medici

AIM Portfolio Company
Reno De Medici

Why It Matters

A person living in Europe produces an average of about 360 pounds of packaging waste per year, with paper, cartonboard, and plastic comprising much of that waste.[1]

Plastic waste has grown at the highest rate across packaging materials over the past 10 years in Europe, with significantly lower recycling rates than paper and fiber-based materials.[2] Plastic products primarily create "downstream harms" — they create greenhouse gases when burned or put into landfills, harm wildlife when entering open waterways, and harm human health when ingested as microplastics. Globally, only 9% of plastic waste is recycled, with the bulk of the material ending up in landfills or incinerated.[3]

To address these harms, the European Commission adopted an ambitious circular economy action plan in 2015 and banned or restricted several single-use plastics in 2021, with more regulatory action likely. Consumers have increasingly adopted recycling (Europe now recycles ~85% of its paper and cardboard packaging) and increased demand for products made from recycled materials, which generate less waste, emissions, and natural resource use.

To respond to these trends in regulation and consumer sentiment, product innovation is needed to create sustainable substitutes for plastic and virgin paper, and manufacturing capacity is needed to put these products into the market.

RDM contributes to solutions that reduce the environmental burden of packaging, and plays a key role in the circular economy by transforming wastepaper into recycled cartonboard. Utilizing recycled cartonboard prevents the waste of valuable raw materials that otherwise would end up in landfills, supports reuse and recycling, and minimizes the need to utilize virgin material, therefore supporting forest preservation.

By working with customers to accelerate the transition from less sustainable packaging substrates to recycled cartonboard, as well as continuously improving the environmental impacts of its production operations, the company can help drive positive environmental impact alongside financial performance.

1. Eurostat, *Packaging Waste Statistics*, October 2022.
2. Ibid.
3. Organisation for Economic Co-operation and Development (OECD), *Global Plastics Outlook: Economic Drivers, Environmental Impacts and Policy Options: Policy Highlights*, February 2022.

Smart Start

Initial Investment
12/16/2021

Overview
Global IID Holdco, LLC ("Smart Start") is a leading provider of alcohol monitoring programs utilizing ignition interlock devices or "IIDs" (car breathalyzers that prevent a vehicle from starting if the driver has been drinking) for DUI offenders. The company is the leading player in the U.S., Canadian, and Australian IID markets, and is a top-three provider in Europe. The company operates or contracts with ~2,700 service center locations in 47 U.S. states and 18 countries. Smart Start's IIDs have prevented over 13 million engine starts where alcohol was present on the driver's breath and recorded over a billion alcohol-free starts.

AIM Theme

Health, Safety & Wellness

UN SDG Alignment

Good Health and Well-Being
Decent Work and Economic Growth

Impact Mission
Smart Start's alcohol monitoring programs reduce drunk driving incidents, which in turn decreases the number of car crashes and prevents the resulting cases of physical injury, death, or financial harm. The company's IIDs allow drivers to maintain driving privileges, thereby minimizing the economic and social impact of license suspension. External research shows that IIDs are more effective at preventing repeat offenses than license suspension. Smart Start helps drive IID adoption and higher compliance rates by conducting advocacy work and government relations activities.

13.7M

starts prevented

Since the company's founding, Smart Start has prevented 13.7M starts — which means a person tried to drive after alcohol consumption, but the IID prevented the engine from starting[1].

1. Prevented starts value as of March 2023.

AIM Portfolio Company
Smart Start

Why It Matters

Drunk driving poses a serious threat to road safety, for drunk drivers themselves, their passengers, and others on the road. In 2020, an estimated 30% of car fatalities in the United States, or 11,654 lives lost, involved drunk drivers, a 14% increase from 2019.[1] The economic costs are similarly significant: in 2020, the estimated cost of crash deaths involving alcohol-impaired drivers was about $123 billion, including medical costs and cost estimates for lives lost.[2]

IIDs prevent people from drinking and driving and thereby reduce car crashes and associated deaths. The lifesaving impact of IIDs is supported by extensive government and academic research, which has shown that DUI deaths decrease by 15% in states that enact all-offender IID laws. Further, studies have shown that ignition interlocks reduce drunk driving recidivism by up to 70% among first-time, repeat, and high-risk offenders while they are installed.[3] In recognition of the effectiveness of IIDs, advocacy efforts led by Mothers Against Drunk Driving (MADD) have in recent decades successfully pushed for stricter DUI laws, including the adoption of IIDs which are more effective at preventing repeat offenses than license suspension.

IIDs provide individuals with a history of drunk driving a safe way to retain their driving privileges, and therefore avoid the economic and social impact of a license suspension. In the absence of IIDs, these individuals would either not drive, compromising their ability to be productive members of society, or drive illegally, a dangerous prospect given the prevalence of alcohol use disorder. Smart Start's IIDs thus provide a critical pathway to reduce financial and other harm for their users as well as people who live in the communities where their users operate.

1. U.S. Department of Transportation, National Highway Traffic Safety Administration, *Summary of Motor Vehicle Crashes in 2020*, September 2022.
2. Centers for Disease Control and Prevention (CDC), *Impaired Driving: Get the Facts*.
3. National Conference of State Legislatures (NCSL), *States Identify Effective Ignition Interlock Countermeasures to Fights DUIs*, February 6, 2023.

“Our Impact Mission and business model are one and the same. Every device we install saves more lives and makes our communities safer.“

Matt Strausz | Chief Executive Officer, Smart Start

Supplemental Health Care

Initial Investment
11/18/2021

Overview
Supplemental Health Care ("SHC") is a leading provider of healthcare staffing, offering a range of services and professionals across both acute and non-acute settings. The company places nurses and allied professionals (technicians, therapists, specialty assistants) in 13+ week hard-to-fill local and travel assignments at clients' hospitals, behavioral health facilities, home health facilities, schools, government facilities, and other settings, maintaining a candidate database of ~4.5 million. Founded in 1984 and headquartered in Salt Lake City, Utah, the company employed ~10,238 nurses and ~1,113 allied professionals in 2022.

AIM Theme

Health, Safety & Wellness

UN SDG Alignment

Good Health and Well-Being

Impact Mission
SHC helps solve the nursing staffing shortage crisis in the United States by sourcing hard-to-find healthcare talent, offering them competitive pay, high-quality service, and more flexibility, and placing them in roles across a variety of different settings. In doing so, the company is helping to increase access to care, decrease wait times, and improve health outcomes for patients while also providing attractive employment options for talent in the industry.

~10,500

nurse staffing jobs filled by SHC in 2022

“At Supplemental, we are building a purpose-driven culture. We are not just here to match nurses to jobs but also to improve the lives of people who are vulnerable and need help. We lead with the purpose, and the work comes in after the purpose.”

Vickie Anenberg | Chief Operating Officer, Supplemental Health Care

1. McKinsey & Company, *Assessing the lingering impact of COVID-19 on the nursing workforce*, May 11, 2022.
2. Inquiry: The Journal of Heath Care Organization, Provision, and Financing, *Nurses’ Burnout: The Influence of Leader Empowering Behaviors, Work Conditions, and Demographic Traits*, August 26, 2017.
3. Education Advisory Board (EAB), *Are Districts the Nation’s Adolescent Mental Health Care Providers?*, 2020.
4. Association of American Medical Colleges (AAMC), *Health Disparities Affect Millions in Rural U.S. Communities*, October 31, 2017.
5. Enfermería Clínica, *Nursing Care and Patient Outcomes: International Evidence*, January 2008.
6. Analysis provided by McKinsey & Company, 2020.
7. BMC Nursing, *Nurse Staffing and Patient Outcomes: A Longitudinal Study on Trend and Seasonality*, 2016.
8. Health Affairs, *The Longer The Shifts For Hospital Nurses, The Higher The Levels Of Burnout And Patient Dissatisfaction*, November 2012.
9. Patient Safety Network (PSNet), *Nursing and Patient Safety*, April 21, 2021.
10. ClearlyRated, *The Best Healthcare Staffing Agencies*, 2023.

AIM Portfolio Company
Supplemental Health Care

Why It Matters

Places of care across the U.S. continue to struggle to hire and retain nurses (including registered nurses, licensed practical nurses, and licensed vocational nurses), with up to 450,000 vacancies expected by 2025.[1] The vacancies are driven by a general shortage in nurses, as well as high nurse turnover and growing demand for home healthcare. The high turnover is at least in part attributable to nurse burnout — the decline in physical, emotional, and psychological energy resulting from work-related stress.[2]

The COVID-19 pandemic added significantly to these challenges, by increasing demand for nurses across almost all settings of care while simultaneously increasing nurse burnout. An increased focus on mental health, especially in schools, has also driven demand for behavioral nurses.[3] These shortages are felt particularly in rural and underserved communities, which tend to have lower median household incomes, a higher percentage of children living in poverty, more uninsured residents, and higher rates of mortality.[4] Evidence has shown that nurse shortages harm patient health outcomes.[5]

Nurse shortages are driving settings of care to hire travel and temporary nurses to fill their health provider needs. Travel and temporary nurses provide critical incremental capacity in areas where there is difficulty recruiting permanent nurses or where healthcare facilities need short-term employees due to demand seasonality. As a result, the temporary healthcare staffing market has grown by 6.5% per annum over the last five years.[6]

Increasing the quantity of nurses is associated with better patient outcomes. Overworked nurses, both in longevity of shift and in high patient-to-nurse ratios, have been linked to adverse patient outcomes such as increased frequency of hospital falls and pressure ulcers.[7] Increase in nurse shift length also results in a reduction in the quality of patient experiences, including communication, explanation of medications, wait time for help, room cleanliness, and the receipt of discharge information.[8] Since evidence has shown that morbidity rises with increasing patient-to-nurse ratios, states have instituted patient-to-nurse ratio laws.[9]

As a leading provider of healthcare staffing in the United States, SHC plays a critical role in ensuring that patients across the country receive adequate access to care. Deemed one of the best healthcare staffing agencies by ClearlyRated,[10] SHC provides industry-leading talent and levels of service to provide patients with the best possible care. The company has been accredited with a certificate of the highest distinction by the Joint Commission, a U.S. based nonprofit organization that evaluates more than 22,000 healthcare organizations and programs for safety and quality. As the company continues to grow, they can expand this intentional culture of caring to more facilities, helping to increase patient satisfaction and outcomes nationwide. Moreover, in launching an upskilling and reskilling initiative, the company is increasing the skills of its professionals and adding new healthcare professionals to the labor force, making a significant impact in reducing the shortage of healthcare professionals across the country.

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