



A&H Apis & Heritage
Capital Partners

Legacy Fund I 2022 Impact Report

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Legacy Fund I

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About Apis & Heritage

Apis & Heritage Capital Partners (A&H) is a novel investment fund attacking the racial wealth gap while generating attractive risk-adjusted returns for investors. We are backed by preeminent foundations and impact investors who believe a successful business should benefit more than just a few people. Our unique mix of high finance, legal, operational and strategic skills helps enterprises convert from limited ownership to broad-based employee ownership. This report focuses on the social impact our fund has had and will have on the workers in our portfolio.



What's in a Name?

Apis is the Latin word for bee. The beehive is our metaphor for a well-run employee-owned enterprise, where workers benefit from working together.

Heritage reflects the selling owner's continuing legacy, with healthy local companies moving forward in the hands of their employees.



A&H team with Accent leadership and departing owner Cameron Stevens.

“

A&H’s goal is to help workers benefit from the value they create in their companies - especially workers of color who for so long have not had the opportunity to benefit from asset ownership. Our model keeps strong companies local and lets the employees then pass those assets on so their kids have a head start in life...

Todd Leverette & Philip Reeves
Founding Partners

A Word From The Team

We are pleased to present the first Annual Impact Report for Apis & Heritage Legacy Fund I.

This report covers the social impact of two investments made by A&H Capital in May 2022 through the end of CY 2022.

We also offer some general data on the power of employee ownership to lift people up.

- The A&H Capital Partners Team



Key Accomplishments In 2022

- We closed our flagship Legacy Fund I in September 2022 at **\$58.1 million**.
- Our investors include some of the nation's leading foundations and impact investment advisors' clients committed to creating greater equity and opportunity for historically marginalized communities. We were oversubscribed and regrettably had to decline a number of potential investors.
- We transitioned two family-owned businesses into 100% employee-owned enterprises in 2022 using our Employee-led Buy Out (ELBO) model.
- Collectively, prior to our investment these enterprises employed over 160 workers, of whom **over 80% were workers of color** and **approx. 85% were low and moderate income**.
- By year end, **total employees numbered over 220** across both companies, representing a **36% increase**.
- We and the Democracy at Work Institute (our technical partner and a premier national worker ownership think-and-do-tank focused on scale and racial equity) tailored and initiated the worker engagement processes. Our goal is to truly engage the workforce in a manner that activates the value of the employee-owned operational model.
- Throughout the year we continued our ecosystem engagement. We promoted employee-ownership transitions at EO and non-EO conferences and provided insights to various groups developing new EO legislation (for example, in California, Colorado and Washington DC).



Why Now?

Massive Transfer of Business Assets

About 2.5 million small businesses with 5 or more employees are owned by Baby Boomers, who are finally getting ready to retire. These companies employ over 25 million workers across America. A plurality tell advisors that they are not sure what will happen with their businesses.¹

Racial Wealth Gap

Disparities between Black, Hispanic and White household wealth (savings, assets) already increased by the Great Recession were exacerbated by COVID. According to Federal Reserve data from 2022, White households had \$124.5 trillion in assets, all Black households had under \$8 trillion in total assets, Hispanic households had \$5.5 trillion, and all other racial groups combined had roughly \$15.7 trillion.²

The Employee Ownership Solution

A 2021 *Harvard Business Review* study investigated how an increase in the number of U.S. companies sponsoring ESOPs could impact the overall wealth of employee-owners. The study estimated that if 30 percent of all U.S. businesses sponsored an ESOP with at least 10 percent of the company's stock, the share of all wealth held by the bottom 50 percent of American wage earners would more than quadruple from 1.4 percent of total net worth to 6.4 percent. Moreover, median wealth among Black households would grow from \$24,000 to \$106,000.³

1/3

Businesses without a succession plan

~60%

Black and Latino workers will retire with zero savings after a lifetime of work

\$140K

Average wealth of ESOP plan retiree

10x

Value of a worker's savings age 60-64 who participates in an ESOP versus similar workers nationally

1. *Unsexy But Thriving Businesses: The Hidden Opportunity Gifted To Us By Baby Boomers* – Forbes Magazine

2. *Wealth inequality across race: what does the data show?* USAFacts

3. <https://hbr.org/2021/05/the-big-benefits-of-employee-ownership>.

Defining and Measuring Impact at A&H

A&H is in business to close the racial wealth gap and to help regular workers, especially workers of color, own their futures. We operate on a continuum of impact that stretches across the near, medium and longer term. While the building of generational wealth of a worker and his or her family may be long-lived, we try to initiate improvements in benefits, job quality and morale as early as feasible.

1: Ownership & Wealth

We generally structure toward 100% employee ownership to maximize employee ownership. We monitor the share value of the enterprise, the total enterprise value held by the workforce and the average account balance of the median worker. Prior to vesting, we assign zero value to share accounts.

2: Job Quality

We work to ensure high quality jobs through benefits implementation, training for management, systems development and annual assessments. We partially assess results by anonymous employee surveys.

3: Worker Engagement

We teach management and supervisors how to engage employees, and we train employees in the skills to participate. We measure outcomes by tracking new ideas and efficiencies that arise from worker engagement. We also support empowerment by ensuring a path to worker representation on the Board and through the development of an Ownership Culture Roadmap and Toolkit.

A&H Investments contribute to the following UN Sustainable Development Goals



Primary



Primary



Secondary



Secondary

Ownership Culture: Establishing a Baseline

Methodology

Ownership culture building is a long term process. Our goals in the first three years are to create systems and structures, build good habits, and lay the groundwork for implementing practices that will improve job quality, worker well-being and company performance.

We have developed a scoring rubric that incorporates employee ownership practices, job quality, and employee health/well-being. Using company data, annual employee surveys, systems assessment and interviews, we synthesize dozens of data points to rate companies' overall ownership culture at close on a 5-point scale and set goals for shifting it that inform our 3-year work plan.

Ownership Culture Index Scores		
1	Baseline	Satisfactory material reward, work conditions and job quality, some employee voice.
2	Understanding	1+ information-sharing and some participatory systems; above average job quality; supports for worker health and well-being.
3	Opportunity	2+ broadly known, understood and trusted systems, management facilitates participation; high quality jobs; above average worker health and well-being.
4	Environment	3+ measurable participatory skill development and extensive participation; highest quality jobs; healthy and satisfied workers.
5	Management	4+ employees drive participation and connect performance improvement to compensation; highest quality jobs; healthy and satisfied workers have a high sense of individual and collective agency.

Adjustments

An important element of A&H's process is refinement and tailoring as we and DAWI are developing a new ownership culture assessment tool. After piloting the employee survey in Q3 '22, we have revised it to shorten and align it with existing job quality measurement tools. We are currently refining our scoring rubrics and building an index. This new impact assessment format will roll out in 2023. We will connect it to the initial assessment work to the extent possible.

Ownership Culture: Establishing a Baseline

In support of our ownership culture goals within the portfolio, A&H conducted anonymous, employee-wide surveys to determine employee feelings and thoughts at each company. The results from these surveys provided deep insights into what the employees at their respective firms believe is going well and what could be improved. As such, the quantitative survey results, along with a qualitative systems and culture assessment by DAWI and A&H, established baseline measurements of job quality, employee health and well-being, and company ownership culture that we aim to improve over the course of our investment. This survey will be completed annually to measure the state of ownership culture and identify opportunities and gaps.

Forty years of statistical data show clearly that establishing a culture of collaborative management, empowerment and respect for workers yields significant marginal economic benefits for both enterprises and worker-owners alike.

Cultural competence is a vital element to our strategy. At any company with a workforce where English might be a second language, we provide real time interpretation and translation of documents and any trainings or presentations that are a part of the ownership culture work.



Photo left: A&H partner Jason Ollison and Accent CEO Joe Aguilar speaking to the Accent workforce.

Photo right: Accent employees completing the baseline survey.

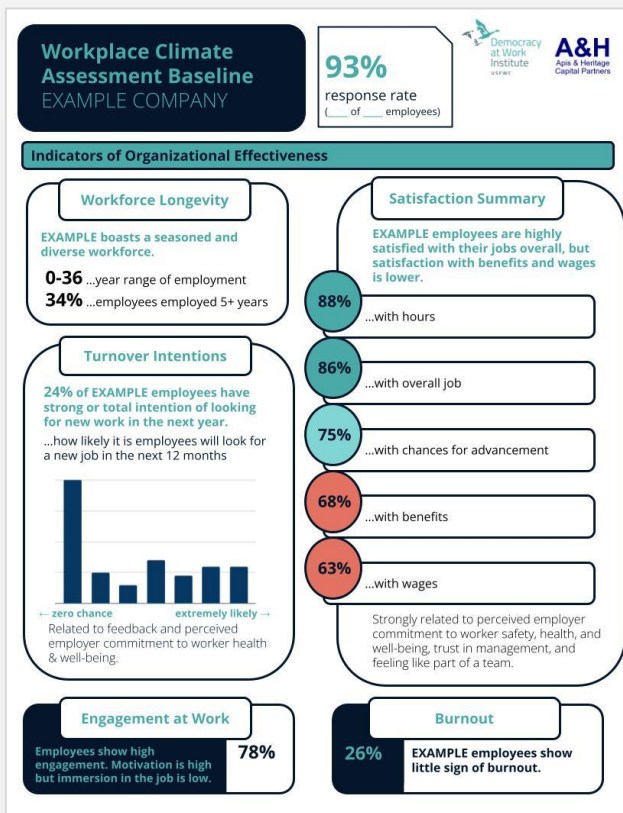
A&H Ownership Culture Partnership: **Democracy at Work Institute**

Democracy at Work Institute is partnered with A&H to deepen and measure impact for portfolio companies and their workers, and to document and share learnings from this process with the field more broadly.

DAWI has more than 10 years of experience in the shared ownership ecosystem. Melissa Hoover, DAWI's founder and the lead on this work, has 20+ years of organizational development shared ownership small business experience. She leads an interdisciplinary team with backgrounds in culturally competent training, leadership development and impact measurement expertise.



Ownership Culture: Establishing a Baseline



The Illustrative Culture Survey results above shows example compiled data among a variety of job and wellbeing factors. While the individual figures are illustrative, the data points reflect those collected by A&H in Q3 '22. These are being used by A&H and DAWI to drive our ownership culture work and were shared with the management team at the companies to support their decision making.

A&H and DAWI sent teams from Apex and Accent to the National Employee Owner Summit produced by NCEO and Ohio Employee Ownership Center in January 2023, where they learned from sessions on the ABCs of ESOPs, Understanding Financial Information & Impacting the Bottom Line, and played The ESOP Game. The program is designed primarily for hourly and salaried non-managerial employees to introduce them to skills, knowledge and peer contacts that will make their participation as owners even more effective.

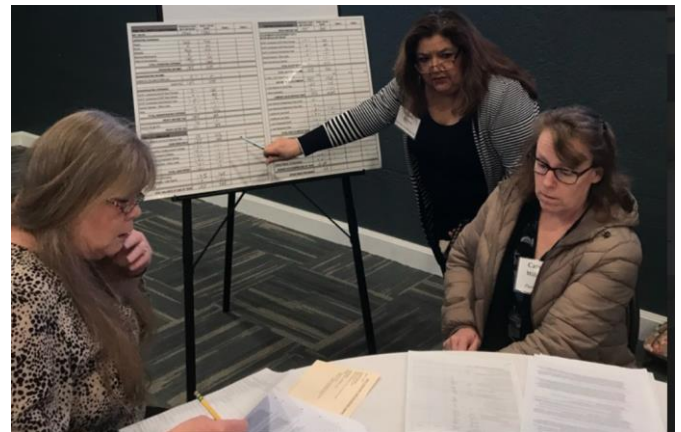


Photo top: Accent's CFO Elida Franco leads her team in The ESOP Game.

Photo bottom: Apex's GM Heather Icke collaborates with peers on understanding financial statements.

Ownership Culture: Setting Targets

The figures below show the baseline Ownership Culture assessment results at A&H's 2022 investments along with the ownership culture goal for Year 3 of the investment.

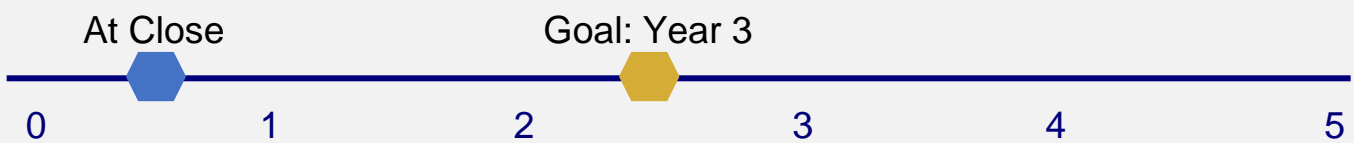
Apex Plumbing

Baseline assessment shows a high-functioning company and an existing culture of engagement, with potential to implement robust EO culture practices



Accent Landscaping

Baseline assessment shows a well-established and fundamentally strong company with potential to implement basic EO culture practices.



A&H 2022 Investments: Apex Plumbing



Apex Plumbing
"the underground guys"

Industry: Wet Utilities
Location: Arvada, CO
Investment: May 2022
% Emp. Owned: 100%

Apex Plumbing is headquartered in Arvada, Colorado, part of the wider Denver Metro area. In business for over 35 years, "the underground guys" provide crucial water, sewer and fireline connections and repairs between city infrastructure and residential or commercial buildings.

At Close, Apex had

- 51 full time employees
- Diverse workforce with **45% BIPOC**
- 76% of employees "low and moderate income" as defined by Denver AMI
- Good worker satisfaction with safety and work environment
- Overall dissatisfaction with benefits, including no direct deposit or 401(k)

At Year End, Apex had

- Recruited Mowa Haile to CEO
- Promoted Heather Icke to GM (#2)
- Created path to 401(k) and direct deposit for workforce
- Increased healthcare participation by 35%
- Expanded leadership opportunities for middle management, one of whom orchestrated major bid success
- Commenced the ownership culture training modules with DAWI



Photo: Apex selling founders Brian and DeAnn Wilkie with Apex team members



I am proud to see our team, from the folks digging trenches to the front office, stepping up. We are all in this together now and you can tell.

Heather Icke
Apex General Manager

A&H 2022 Investments: Accent Landscaping



Industry: Landscaping
Location: El Paso, TX
Investment: May 2022
% Emp. Owned: 100%

Accent Landscaping is based in El Paso, Texas, where it is the market leader in providing commercial landscaping construction, services and maintenance in a dynamic region of southwest Texas and eastern New Mexico.

At Close, Accent had

- 114 full time employees in El Paso
- **98% Latino** workforce
- \$9 minimum wage
- 86% of employees “low and moderate income” as defined by El Paso AMI
- Good worker satisfaction with safety and quality jobs
- Overall dissatisfaction with wages

At Year End, Accent had

- Promoted Joe Aguilar to CEO, Accent’s first Latino & bilingual CEO
- Promoted Elida Franco to CFO, another first who is also bilingual
- Increased minimum wage to \$12/hour
- Reduced attrition and significantly enhanced recruiting success
- 172 full time employees by year end (+50%)
- Commenced the ownership culture training modules with DAWI

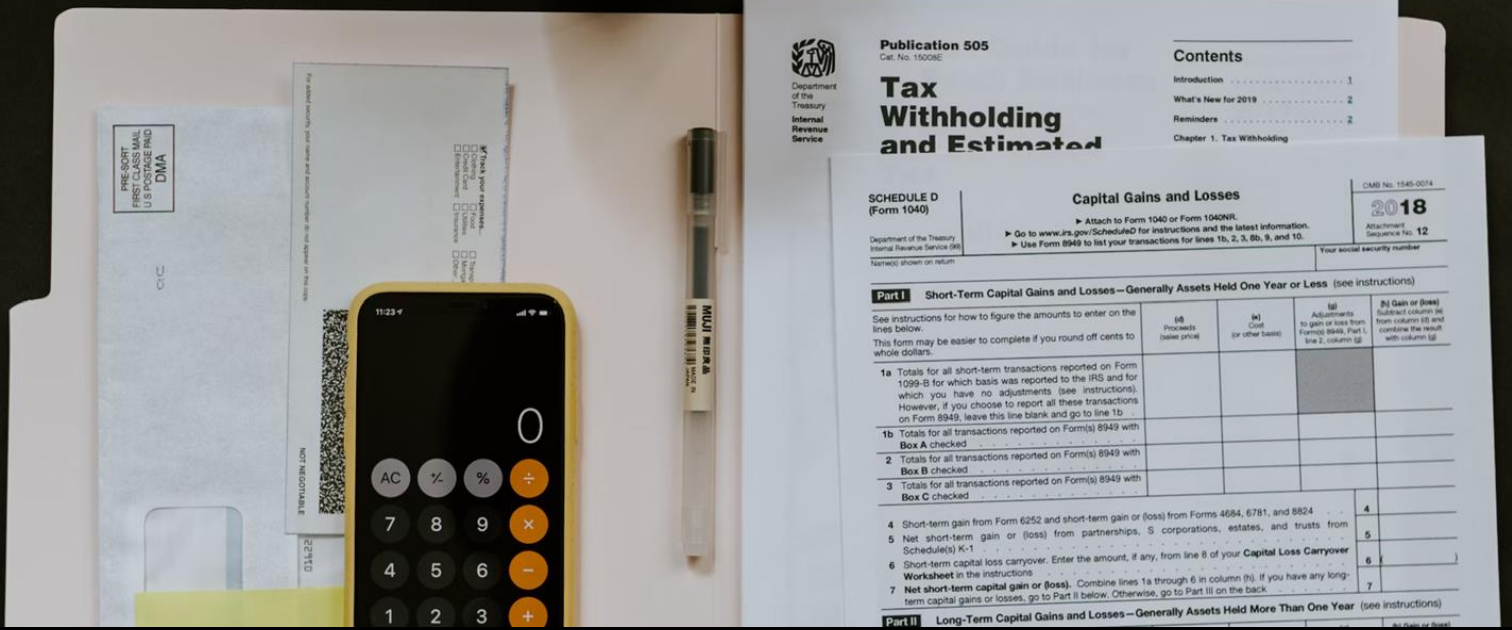
Photo: Accent selling owner Cameron Stevens, new CEO Joe Aguilar (far left) with A&H and Accent team members



Accent is more than a company, it’s a family...the opportunity to own a piece of it means so much to all of us.

Elida Franco
Accent CFO





“ It’s Hard to Believe In the American Dream When You’re Living Paycheck to Paycheck...

- In November 2022, 63% of U.S. consumers were living paycheck to paycheck. One-third of consumers report that they are currently not saving any money, with 60% of these consumers also saying they have no pre-existing savings. ¹
- In 2020, 73.3 million workers aged 16 and older in the United States were paid at hourly rates, representing 55.5% of all wage and salary workers. Over the entire 34-year period between 1979 and 2013, the hourly wages of middle-wage workers were stagnant, rising just 6% —less than 0.2% per year. ^{2,3}
- Almost 25% of workers of color report having to have two jobs to make ends meet (versus 17% for white workers). ⁴
- Since 1965, and accounting for inflation, home prices have jumped 118%, while real incomes have only increased by 15%. That’s why the goal of home ownership – the classic route for regular folks to accumulate wealth – is increasingly out of reach for so many. ⁵

1. PYMNTS-New-Reality-Check-December-2022.pdf
2. <https://www.bls.gov/opub/reports/minimum-wage/2020/home.htm>
3. <https://www.epi.org/publication/charting-wage-stagnation/>
4. <https://www.fool.com/the-ascent/research/study-race-personal-finance-america/>
5. <https://www.cnbc.com/2021/11/10/home-prices-are-now-rising-much-faster-than-incomes-studies-show.html>

2022 Ecosystem Impacts



Thanks to the National Center for Employee Ownership (NCEO) and others, there is ample data to prove that employee-owned companies tend to outperform peers in profitability, productivity, resilience, and worker satisfaction. Moreover, Congress has adopted legislation for 40 years to support EO transitions. Why then after 40 years are only 6,600 US companies with 5 or more workers employee-owned? That is out of 6 million potential companies. Why are so few workers of color benefiting from employee ownership at all? We know that lack of awareness is a part of the issue. A&H contends that it is also just difficult for many owners to pull off these transitions alone. Our model is a solution that addresses both those challenges in addition to bringing the benefits of business ownership to workers of color and low income workers. To share it:



SOCAP



- We attended economic and social impact conferences where we described our employee-led buy out (ELBO) model and our focus on workers of color, with the hope of creating copycats.
- We met with economic leaders in state legislatures, at the Federal Reserve, and in Washington DC to help educate them on the power of ownership to close the racial wealth gap and restore the middle class.
- We worked with leading policy and academic groups like the Aspen Institute, Rutgers University and the Brookings Institution, to advance awareness and contributed to groundbreaking research on job quality and employee ownership benefits for low-wage workers.
- When asked by legislators at the state or federal level, we provided information on what is working in the EO space and what could be improved.

Building out a Practical Curriculum for Employee Ownership Transitions

A&H is also proud to be partnering with the Democracy at Work Institute and our advisors like Michael Quarrey to develop curriculum tools and guides for ELBO transactions, especially ones involving diverse workforces where a significant percentage of workers are non-professionals. Our collective work includes developing impact metrics (job quality, worker health and well-being, financial capacity, ownership culture) for these workforces. Our approach is to share information, data and materials - such as our video testimonials, roadmap, engagement tools and processes – so that we are not only driving impact but multiplying it.



Democracy at Work Institute

Legacy Fund I

Annual Impact Report
2022

Appendix:
Portfolio Impact Details & Metrics

Impact Metrics – Apex Plumbing

	Close	2022
ESOP Ownership		
Total Employee Owners	51	52
Total Profit Sharing Distributed	--	\$0
% of Company Owned by Employees	100%	100%

Benefits Availability		
Health	Yes	Yes
Vision	Yes	Yes
Dental	Yes	Yes
Life	Yes	Yes
401K	No	Yes
Short Term Disability Insurance	Yes	Yes
HRA, HSA, or FSA	Yes	Yes
Accident Insurance	Yes	Yes

% of Employees Participating In:		
Health	37%	48%
Vision	33%	52%
Dental	29%	46%
Life	12%	8%
401K	--	21%
Short Term Disability Insurance	2%	2%
HRA, HSA, or FSA	2%	4%
Accident Insurance	4%	0%

Turnover		
Total Annual Turnover Rate	51%	54%
Target Turnover Rate for Next FY	--	Maintain

Worker Income (\$ 000's)		
Average Non-Management Implied Salary	\$52.4	\$59.3
% Target for Growth for Next FY*	--	1%

Worker Wealth		
Total Value of ESOP Retirement Savings	--	**
% Target for Growth*	--	**
Financial Literacy Programs in Place?	--	No
# of Worker Participants	--	0

Employee Sentiment / Engagement / Training		
Employee Satisfaction***	84%	84%
% Target Improve / Maintain for Next FY	--	Maintain
# of Employee Trainings Held	--	1
# of Management Trainings Held	--	5

Governance		
# of Board Seats	3	3
# of Seats Held by Employees	0	0
Anticipated Employee Seats for Next FY	--	1
# of Board Trainings Held	--	1

Overview:

The data provided about our impact metrics are compiled from company data, internal A&H analysis and DAWI.

** Forward-looking data included in this report do not guarantee performance and should not be unduly relied on.*

*** Employees have not vested under the relevant ESOP as of April 2023. ESOP benefit data is compiled by a third-party ESOP plan administrator. Plan distributions to employees have not been made as of April 2023. A&H will update wealth data in arrears in the appropriate impact report.*

Impact Metrics – Apex Plumbing (cont'd)

	Apex Plumbing		A&H Portfolio	
	Close	2022	Close	2022
Employee Demographics				
Gender				
% Male	82%	83%	91%	90%
% Female	18%	17%	9%	10%
Race / Ethnicity				
% White	55%	48%	18%	18%
% Black	0%	2%	0%	0%
% Latino	45%	50%	82%	82%
% Asian	0%	0%	0%	0%
Immigrant / Refugee				
% Immigrant	29%	33%	36%	31%
% Refugee	0%	0%	0%	0%
Age Range				
% age 15-24	6%	4%	8%	17%
% age 25-54	78%	79%	67%	66%
% age 55-64	14%	15%	18%	13%
% age 65+	2%	2%	7%	4%
Income Analysis				
Non-Management Pay				
Minimum	\$ -	\$ -	\$ -	\$ -
Maximum	\$ 75,000	\$ 115,000	\$ 75,000	\$ 115,000
Median	\$ 53,784	\$ 59,760	\$ 25,896	\$ 23,904
Average	\$ 52,392	\$ 59,329	\$ 34,780	\$ 33,795
Management Pay				
Minimum	\$ 48,000	\$ 48,000	\$ 47,840	\$ 47,840
Maximum	\$ 100,000	\$ 110,000	\$ 165,000	\$ 165,000
Median	\$ 78,000	\$ 74,000	\$ 85,625	\$ 87,813
Average	\$ 75,200	\$ 76,500	\$ 88,408	\$ 89,942
Total Employees				
Minimum	\$ -	\$ -	\$ -	\$ -
Maximum	\$ 150,000	\$ 150,000	\$ 165,000	\$ 165,000
Median	\$ 55,776	\$ 59,760	\$ 26,892	\$ 23,904
Average	\$ 56,542	\$ 62,445	\$ 38,794	\$ 36,652
Low and Moderate Income				
% below AMI @ 80%	76%	61%	85%	83%

Impact Metrics – Accent Landscaping

	Close	2022
ESOP Ownership		
Total Employee Owners	114	172
Total Profit Sharing Distributed	--	\$0
% of Company Owned by Employees	100%	100%
Benefits Availability		
Health	Yes	Yes
Vision	Yes	Yes
Dental	Yes	Yes
Life	Yes	Yes
401K	No	No
Short Term Disability Insurance	Yes	Yes
% of Employees Participating In:		
Health	10%	6%
Vision	2%	1%
Dental	3%	2%
Life	16%	11%
401K	--	--
Short Term Disability Insurance	7%	5%
Turnover		
Total Annual Turnover Rate	^	37%
Target Turnover Rate for Next FY		Maintain
Worker Income (\$ 000's)		
Average Non-Management Implied Salary	\$27.0	\$26.5
% Target for Growth for Next FY*	--	1%
Worker Wealth		
Total Value of ESOP Retirement Savings	--	**
% Target for Growth*	--	**
Financial Literacy Programs in Place?	--	No
# of Worker Participants	--	0
Employee Sentiment / Engagement / Training		
Employee Satisfaction***	89%	89%
% Target Improve / Maintain for Next FY		Maintain
# of Employee Trainings Held	--	2
# of Management Trainings Held	--	5
Governance		
# of Board Seats	3	3
# of Seats Held by Employees	0	0
Anticipated Employee Seats for Next FY	--	1
# of Board Trainings Held	--	1

Overview:

The data provided about our impact metrics are compiled from company data, internal A&H analysis and DAWI.

** Forward looking data included in this report do not guarantee performance and should not be unduly relied on.*

^Turnover data represents workers who remained after a 90 day period, post-hire. Data unavailable for the year prior to close at the time of publication

** Employees have not vested under the relevant ESOP as of April 2023. ESOP benefit data is compiled by a third-party ESOP plan administrator. Plan distributions to employees have not been made as of April 2023. A&H will update wealth data in arrears in the appropriate impact report.

Impact Metrics – Accent Landscaping (cont'd)

	Accent Landscaping		A&H Portfolio	
	Close	2022	Close	2022
Employee Demographics				
Gender				
% Male	95%	92%	91%	90%
% Female	5%	8%	9%	10%
Race / Ethnicity				
% White	2%	3%	18%	18%
% Black	0%	0%	0%	0%
% Latino	98%	97%	82%	82%
% Asian	0%	0%	0%	0%
Immigrant / Refugee				
% Immigrant	39%	31%	36%	31%
% Refugee	0%	0%	0%	0%
Age Range				
% age 15-24	11%	20%	8%	17%
% age 25-54	60%	62%	67%	66%
% age 55-64	22%	13%	18%	13%
% age 65+	7%	5%	7%	4%
Income Analysis				
Non-Management Pay				
Minimum	\$ 23,904	\$ 23,904	\$ -	\$ -
Maximum	\$ 60,632	\$ 65,377	\$ 75,000	\$ 115,000
Median	\$ 23,904	\$ 23,904	\$ 25,896	\$ 23,904
Average	\$ 27,048	\$ 26,478	\$ 34,780	\$ 33,795
Management Pay				
Minimum	\$ 47,840	\$ 47,840	\$ 47,840	\$ 47,840
Maximum	\$ 165,000	\$ 165,000	\$ 165,000	\$ 165,000
Median	\$ 90,000	\$ 90,000	\$ 85,625	\$ 87,813
Average	\$ 89,044	\$ 89,044	\$ 88,408	\$ 89,942
Total Employees				
Minimum	\$ 23,904	\$ 23,904	\$ -	\$ -
Maximum	\$ 165,000	\$ 165,000	\$ 165,000	\$ 165,000
Median	\$ 23,904	\$ 23,904	\$ 26,892	\$ 23,904
Average	\$ 30,855	\$ 29,218	\$ 38,794	\$ 36,652
Low and Moderate Income				
% below AMI @ 80%	89%	91%	85%	83%

Social Impact Activities

Democracy at Work Institute supports portfolio companies to develop an ownership culture, characterized by information-sharing, employee engagement and employee voice. We begin working with the company right away, and maintain a sustained engagement for three years.

Highlights of our Year 1 work:

- Each company now has a 3-year Ownership Culture Roadmap and Toolkit to guide their employee engagement and education work.
- Senior and middle management at both companies are engaged as ESOP champions.
- Key staff are connected to the broader ESOP community via conferences and peer groups.
- Companies are certified as ESOPs by Certified EO, which provides customized bilingual ESOP educational materials for employees.
- ESOP Committee has formed at Accent, will form soon at Apex.
- Supporting onboarding and training processes to incorporate ESOP information
- Conducted baseline assessment

Our impact thesis is straightforward: developing strong ownership culture – characterized by transparency, engagement and agency – drives company performance and creates better jobs that build wealth and health for all employees. We measure impact in portfolio companies in two key areas along six dimensions:

1. Ownership culture development
 - a. Organizational learning and information systems
 - b. Employee engagement
 - c. Employee Voice
2. Better jobs that build wealth and health
 - a. Job quality
 - b. Ownership/share value
 - c. Health and well-being

These are long-term impacts that will be achieved over the next five years. Much of the work in year one was gathering information, assessing systems, relationship-building training, and laying groundwork for improvement. We also refined and finalized impact metrics and the impact analysis process for 2023 and beyond. The outcomes to date are largely process outcomes; we expect to see and be able to measure impact starting in Year 2.

Social Impact Activities

Ownership Culture Development

Dimension	Activities to Date	Outcomes to Date
<p>Organizational Learning Transparent and effective information-sharing systems that support employees to understand how the company functions; their roles, rights and responsibilities; and their contribution to company performance.</p>	<ul style="list-style-type: none"> • Conducted baseline OC assessment of portfolio companies. • ESOP rollout and 101 training • Joined Certified EO to access educational materials and include them in onboarding. • Sent company teams to EO Summit training • Formed ESOP Committee • Weekly 1:1 meetings/trainings with HR 	<ul style="list-style-type: none"> • EE survey results show needs for: information sharing, additional ESOP training and avenues for input.
<p>Engagement Systems and processes to motivate, support and require employees to contribute to improving company performance.</p>	<ul style="list-style-type: none"> • Introduced Open Book Management tools to management. • Designed shareable, actionable financial reporting format for management. • Created engagement plan with leadership. • Drafting Ownership Culture Toolkit 	<ul style="list-style-type: none"> • Strong leadership buy-in to organizational culture work in both companies. • Management ESOP knowledge increased.
<p>Voice Systems and processes that empower and prepare employees to influence and make decisions on the shopfloor and participate in company governance.</p>	<ul style="list-style-type: none"> • Conducted Board training • Held regular Board meetings • Researched and began designing governance participation process 	<ul style="list-style-type: none"> • Board meets regularly and uses standard processes, is prepared to bring on new directors.

Social Impact Activities

Job Quality Increase

Dimension	Activities to date	Outcomes to date
<p>Job Quality Jobs at portfolio companies have the following standard elements:</p> <ul style="list-style-type: none"> • living wage • accessible benefits • fair and predictable scheduling • safe, healthy, accessible, secure working conditions • equitable hiring and advancement pathways • accessible paid training and development opportunities • systematized, regular performance reviews • active DEIA commitments • trust and respect 	<ul style="list-style-type: none"> • Conducted baseline JQ assessment of portfolio companies. • Researched additional employee benefits • Preparing to audit scheduling, performance review, and DEIA practices to suggest next steps • Accent: Raised wages, did strategic planning process, supported creation of EE onboarding process. • Apex: Rationalized and standardized pay structure, implemented direct deposit and 401k plan, supported development of Employee Learning Program 	<ul style="list-style-type: none"> • EE baseline survey results show high job satisfaction and low turnover intention, desire for higher wages and benefits.
<p>Ownership/Share value Employee owners' ESOP accounts grow in value over time, to become meaningful assets that contribute to economic security</p>	<ul style="list-style-type: none"> • Supported growth in both companies. Strategic planning at Accent, Denver Water contract at Apex. • Supported HR and finance staff to prepare for audit and valuation process 	<ul style="list-style-type: none"> • Too early; account statements will be issued midyear
<p>Health and well-being Jobs at portfolio companies have a positive effect on employees' physical, mental and emotional health, and contribute to employees' and their families' overall well-being.</p>	<ul style="list-style-type: none"> • Conducted baseline HWB assessment of portfolio companies. • Supported integration of EO concepts into safety training. 	<ul style="list-style-type: none"> • EE survey results show strong and extremely strong safety climates, general satisfaction with working conditions, and low levels of stress.



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