

Summer (BC) UK Bidco Limited

Strategic report For the year ended 31 December 2023

The directors present the Strategic report of Summer (BC) UK Bidco Limited ('the Company') for the year ended 31 December 2023.

The directors, in preparing this strategic report, have complied with section 414C of the Companies Act 2006.

Principal activity

The Company was incorporated on 9 July 2019 as a subsidiary of funds managed by Bain Capital, one of the world's leading private multi-asset alternative investment firms, for the purpose of facilitating the acquisition of the Kantar business from WPP plc. Kantar is the world's leading data, insights and consulting company.

The principal activity of the Company is to act as an intermediate holding company within the Kantar Group.

Key performance indicators

Given the Company's principal activity the directors consider that analysis using key performance indicators is not necessary or appropriate for an understanding of the development, performance or position of the business.

Business review and future developments

The result for the year is set out in the profit and loss account on page 13. The directors do not recommend the payment of a dividend for the year. The net asset position as of 31 December 2023 is €948.1m (2022: €942.7m).

The directors do not envisage any significant changes in the Company's principal activity in the foreseeable future.

Principal risks and uncertainties

The principal risks of the Company are integrated with the principal risks of the Kantar Group, headed by Kantar Global Holdings S.à r.l. and are not managed separately. The principal risks and uncertainties of Kantar Global Holdings S.à r.l. are disclosed in its Consolidated Financial Statements copies of which can be obtained as described in note 13.

Section 172(1) Statement

The directors of the Company, as those of all UK companies, must act in accordance with section 172 of the UK Companies Act 2006. The directors are of the opinion that they have acted fairly and in good faith to promote the success of the Company for the benefits of its members.

The directors have carried out these duties and have made decisions and undertaken short and long-term strategies to maintain its financial performance and position. The directors continue to recognise the importance of the Company's partnership with all stakeholders, including members and the community, as well as maintaining its high standards of business conduct and reputation.

We have representatives who attend and communicate with industry bodies in the markets in which we operate who engaged on issues that affect our people and competitors. We contributed during the year to indexes that provide meaningful data on governance and policy issues.

a) Long term consequences

The directors met throughout the year and considered the purpose and strategy for the Company, supported by a medium-term financial plan. Agenda items for the following year are set based on the discussions held and decisions taken by the Board throughout the year. For example, business development and operational progress is discussed to help maintain the long-term sustainability of the business model.

b) Interest of employees

Except for the directors, the Company does not have any employees. As such no further detail is considered necessary.

c) Interest of other stakeholders

The Company recognises the importance of its continued partnerships with its wider stakeholders including its subsidiaries, in delivering its business strategy and sustainability goals. The Company aims to have an open and transparent relationship which is based on honesty and respect. The Company engages in constant conversation with clients and suppliers on improving delivery of services and relationships. The Company has gone through an exercise to identify all relevant stake holders, by reviewing all its relationships. Given the nature of the entity, as an intermediate holding company with no employees, the key stake holders identified were suppliers, customers and its owners.

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Section 172(1) Statement (continued)

d) Impact of community & environment

Corporate responsibility, including human rights, environmental stewardship and use of resources, sustainable solutions, greenhouse gas emissions and energy management are monitored to help the group plan for future actions to be taken in order for the business to help the local community and the environment. Given the nature of the entity being an intermediate holding company with no trade, the impact on the community is considered as part of the wider group.

e) High standards of business conduct

The Company maintain the high standards of business conduct such as business ethics, antibribery and corruption. All employees (including directors) are required to read and agree with all policies in regard to the Group's code of conduct, right to speak and the antibribery. These are communicated on an annual basis by HR.

f) Act fairly between members

The directors aim to understand the views of its shareholders and always act in their best interests. In order to do this, the directors work closely with the shareholders on a daily basis to ensure operations, strategy and performance are aligned with the long-term objectives of the shareholders, while complying with the Articles of Association of the Company, and in line with the highest standards of conduct as laid out in Group policies.

Environment

The Company operates in accordance with Kantar Group policies. The Kantar Group recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the Group's activities. Initiatives designed to minimise the Kantar Group's impact on the environment include improving its energy use efficiency, paper use, recycling and carbon footprint monitoring.

Non-financial Sustainability Information Statement

The directors consider that the climate-related risks and opportunities of the Company are integrated with those of the parent undertaking Kantar Global Holdings S.à r.l. (Copies of the consolidated financial statements can be obtained at <https://www.kantar.com/investor-relations/financial-announcement/announcement-of-the-kantar-groups-fy-2023-results>) and that any climate-related impact on the Company itself would originate in the operating businesses of the Group. Accordingly, the directors primarily consider climate change in relation to potential changes in the carrying value of the Company's assets including its investments in subsidiaries and amounts due from Group undertakings, which would be driven by factors arising in the wider Group. The assessment of carrying values is carried out at least annually, or when a triggering event occurs, and no impairment charge has arisen to date resulting from climate change considerations.

The interests of the Company's stakeholders within and outside the Group are also considered as part of this assessment, when appropriate. Accordingly, the climate-related risks and opportunities of Kantar Global Holdings S.à r.l., and its arrangements for managing them, are discussed below.

In 2021, Kantar established an Environmental, Social and Governance (ESG) Committee whose purpose is to provide governance, structure and effective leadership to assure the development of Kantar's ESG strategy, including responsibility for overseeing climate issues and opportunities.

The strategy covers all relevant ESG matters applicable to Kantar, including, but not limited to:

- Environmental: assessing and managing climate-related risks and opportunities; addressing Kantar's direct and indirect impact on the environment including reducing the Group's contribution to carbon emissions.
- Social: addressing the responsibility Kantar has to its people, the communities in which it operates, and other external stakeholders; operating in an ethical manner, including ensuring no modern slavery in its supply chain; focusing on diversity, equity and inclusion for all stakeholders and health & wellbeing and learning & development for employees.
- Governance: having the appropriate levels of corporate governance in place, including processes, systems, policies, and compliance; focusing on operational transparency, data privacy and limiting any potential risks to the business.

Chaired by our Chief Operating Officer, who is a member of our Executive Leadership team, the committee consists of senior attendees from Client Services, Operations, Compliance, Procurement, Technology, I&D, Finance, Communication, Legal and Client Services.

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The ESG committee meets monthly to scrutinise progress of the implementation of the ESG strategy against agreed actions, targets and metrics. The Committee Chair reports on ESG matters to the Kantar Audit Committee and Executive Team twice a year and when required, ESG risks and opportunities are escalated to the Risk, Opportunities and Controls Committee.

Since we started focusing on ESG, our commitments have been an integral part of our Objectives, Goals, Strategies and Plans (OGSPs), the business framework we use to run the Group. This ensures we bring the same operational rigour to achieving our goals. Each Committee lead oversees specific areas of the strategy and has responsibility for progressing the strategy and communication through the business to our local teams.

Whilst climate is key to the overall strategy, climate-related responsibilities are assigned to the ESG committee members most likely to influence the implementation of the Group-wide climate strategy and plans, taking into account their position and knowledge. They are responsible for developing a climate transition plan, implementing any approved climate transition plan and setting climate-related corporate targets.

The management of climate-related risks is integrated into the multi-disciplinary Group-wide risk management process. Kantar has established identification, assessment and response processes as follows:

- The identification, assessment, management, and monitoring of the principal risks to Kantar are overseen by our management teams, the pertinent committees including the ESG Committee, and the Executive Team.
- They assist in the governance of risk management in several ways, such as by ensuring that Kantar has the appropriate policies in place to manage risks and assessing the Principal Risks in pertinent forums and committees. Internal audit reports, Group risk reports, risk "deep dives," and routine management reporting, including strategy, planning, and resource allocation, may all be used to provide further supervision.
- The Risk, Opportunity and Controls Committee also specifically completes horizon scanning exercises to identify emerging issues and opportunities allowing for better preparedness and to support decision-making, for example, scenario planning. To date, no ESG risks or opportunities have been escalated to the Risk, Opportunity and Controls Committee.

Our ambition is to become a net-zero Group, in line with the Paris Climate Agreement and due diligence started in 2023 to set our 2022 baseline, to understand our impact on the climate and the levers we will need to focus on to realise our carbon reduction strategy.

With offices across over fifty countries and operating in more than one hundred, Kantar recognises the importance of understanding our carbon footprint across both our direct and indirect emissions.

By implementing meaningful decarbonisation plans, including across our supply chain, which represents a major source of our carbon footprint, and continually improving the quality of our greenhouse gas emissions data, we will help our people take positive steps towards working and living more sustainably.

Kantar has developed an ESG roadmap keeping abreast of developments globally, regionally and in market. Kantar is committed to building our best practice and knowledge of our carbon emissions by being transparent through forums such as Carbon Disclosure Project (CDP) so that we can demonstrate the journey that we are on and build confidence in what we need to do. We are also members of UN Global Compact which enables us to share knowledge and ideas, including participation in specific local forums, trainings, and workshops.

In Kantar's operations, energy is of great importance in view of its relevance to the development of our services. Kantar has identified key areas of risk and opportunity, in connection with the operations of the Group, which are discussed below.

Technology

Technological risks are considered as their own category in our risk framework and are of central importance. Due to our growing reliance on technology solutions and the commoditization of data, Kantar is dependent on the functioning of security and technological systems. Globally, geopolitical tensions have lowered the technical barrier to entry for cybercrime.

Our environmental commitments are underpinned by a programme of technological innovation that seeks to decrease our own consumption and increase the sustainable business choices available to us. By the end of 2025, our strategic data centres will be powered 85% by renewable energy.

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Kantar recognises that managing our computing capacity effectively is an opportunity where we can minimise our direct environmental footprint. Our environmental commitments are underpinned with a ‘by design’ approach. We will reduce our energy, technology and device footprint and type to allow us to contribute to Kantar’s overall sustainability strategy. Our objectives are:

- decreased consumption;
- increased sustainable choices; and
- optimised costs throughout the technology value chain.

Key elements of this plan include removing critical mass from machine equipment rooms based at office locations, using CoLo data centres where appropriate and, where a physical requirement exists, using hyperconverged infrastructure to save power and space. Sustainability is now a key operating principle in our partnership with data centre providers and other technology partners.

Real Estate

When looking at our real estate we have the ambition to halve our entire estate’s carbon footprint in our top twenty markets by 2030. When selecting replacement premises, a key-criteria in our consolidation work has been to evaluate locations’ environmental and sustainability credentials. The plan for achieving this goal is already integral to the real estate capital-expenditure plan. In reflecting the new reality of hybrid working across our property, we are redefining our spaces for the differing identities and personalities within our workforce, implementing standard space ratios across our real-estate footprint and applying sustainability and accessibility standards as we refresh our portfolio.

Our business is exposed to both risks and opportunities from long-term changes in weather patterns. Extreme weather conditions or natural hazards such as earthquakes and floods, fires and infectious diseases are among the events that cause these acute physical risks. These events may have an impact on Kantar’s employees, its internal facilities, and its external supply chain.

Kantar has developed “health, wellness and safety guidelines” relating to our office facilities. These help to inform Kantar of the condition of existing occupied facilities around the world and evaluate the site, building, and interior spaces of these facilities using a standardized set of criteria.

Travel

As with most services companies, travel represents a significant element of our emissions. Where possible, we will encourage virtual collaboration. Where travel is necessary, carbon offsetting will play an important role in managing our carbon footprint. We started to monitor and manage our air and hotel emissions in 2020. Our business travel is carbon-neutral through reduction and offsetting. We have also started to include the cost of offsetting in all client proposals. For internal travel, we integrated offsetting costs into the cost of travel for each individual and their cost centre.

Supply Chain

Kantar also tracks Scope 3 emissions through our supply chain. We worked with procurement partners to develop two supply chain tools related to sustainability:

- a carbon tool which maps our carbon emissions to our taxonomy and supply chain; and
- a supplier health scorecard which provides a holistic view of our 3rd party status including risk assessments, diversity, and carbon commitments such as CDP and Science Based Targets initiative.

These tools enable Kantar to understand which suppliers and which supply categories contribute the most to our Scope 3 emissions so that we can develop targeted roadmaps to reduce these emissions, through changing technologies and suppliers.

Operations

One of Kantar’s key strategies over recent years has been to move away from traditional market research methodologies like face-to-face interviewing in street and in home and to move to online data collection. Traditional face-to-face fieldwork involves the movement of both interviewers and respondents and generates much higher carbon emissions than online research.

This will have a significant impact on reducing our carbon emissions and, by adopting this strategy, we are supporting both Kantar’s carbon footprint reduction globally and also our client and supplier sustainability agendas.

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Clients

With growing interest in corporate sustainability and climate change issues, we have seen opportunities to develop new services in response to growing demand for sustainability related services. A core part of our service offering is the work with organisations across the spectrum of sustainability challenges to meaningfully define and powerfully activate sustainability strategy.

Our commitment is to keep developing and evolving data, methodologies and services that allow us to apply the power of our validated insights, evidence, and advice on consumer behaviour and attitude to climate and the products and services our clients deliver.

As a result of the above, the directors do not consider that it is necessary for an understanding of the Company's business to include here a description of the actual or potential impacts on the business model and strategy or their resilience under different climate-related scenarios, or the targets or key performance indicators used.

The interests of the Company's stakeholders within and outside the Group are also considered as part of this assessment, when appropriate. Accordingly, the climate-related risks and opportunities of Kantar Global Holdings S.à r.l., and its arrangements for managing them, are discussed further on pages 80-94 of the Group's Strategic Review 2023. The Group is further evolving these processes as it Group works towards reporting under the European Union's Corporate Sustainability Reporting Directive for the first time for the financial year ended 31 December 2025.

As a result of the above, the directors do not consider that it is necessary for an understanding of the Company's business to include here a description of the actual or potential impacts on the business model and strategy or their resilience under different climate-related scenarios, or the targets or key performance indicators used.

Approved by the Board of directors and signed on behalf of the Board



Christophe Jacobs Van Merlen

Director

Date: 02.08.2024