

We are builders
of businesses
and community.

PRITZKER
PRIVATE CAPITAL

2021 Environmental, Social and Governance Report

PRITZKER

A FAMILY LEGACY

Pritzker Private Capital (PPC) is a leading family investment firm that invests capital on behalf of the family of Tony Pritzker and other long-term focused family and institutional investors. The Pritzker family has helped build sustainable businesses over multiple generations, guided by a commitment to responsible investment and operating practices. We continue this family legacy through our core values of **honesty, integrity** and **loyalty**.

We believe that long-term business success is based not only on financial returns but also our collective ability to drive positive societal outcomes. Pritzker Private Capital operates by that broader mandate and is committed to integrating environmental, social and governance (ESG) principles into our investing and operating company oversight.



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About This Report

PPC is publishing this environmental, social and governance (ESG) report to provide greater transparency to our stakeholders regarding our efforts to integrate responsible investment and operating practices into our business and those of our operating company investments. This report describes our progress during calendar years 2020 and 2021. Unless otherwise noted, all data and figures are as of June 30, 2021.

PPC CULTURE AND COMMITMENT

Pritzker Private Capital (PPC) invests in established companies within the manufactured products, services and healthcare sectors with enterprise values between \$200 million and \$1.5 billion.

Businesses Built for the Long Term

The Pritzker family has significant experience in helping build leading businesses over generations, including Hyatt Hotels and the Marmon Group. Since 2002, PPC has leveraged our flexible capital base, institutional-quality team and network, and commitment to responsible investment principles to partner with great businesses and management teams through their next phases of growth. PPC is not driven by short-term performance or liquidity needs and, therefore, takes a long-term approach throughout the life cycle of our investments.

Collaboration Among PPC Companies

PPC believes that each of our companies can potentially benefit from being part of the PPC family through cross-collaboration opportunities for revenue growth, cost savings and other areas to leverage the group's scale. In addition, the PPC family shares best practices across the group of companies through periodic discussions and an annual executive forum of functional heads.

Aligning Stakeholder Interests

PPC makes decisions in partnership with our management teams based on the best interests of our companies. In doing so, we seek to align the interests of our key stakeholders to build industry-leading, sustainable businesses. Importantly, we believe that maximizing value creation is achieved when businesses adopt a longer-term view toward improving their workplaces and surrounding communities.

From Tony and Paul

This past year's social, public health and economic difficulties have given us all much to think about. In many ways, the challenges and fallout from today's racial and economic inequality, COVID-19 pandemic, climate change and economic turmoil have only redoubled our resolve to advance our ESG commitment and practices.

We are proud of our strong ESG foundation and history of achievement, but we are the first to recognize that we have work still to do. In Pritzker Private Capital's 2021 ESG annual report, we want to share with you our progress as well as our aspirations.

Strong ESG practices have been fundamental for the Pritzker family and PPC throughout our history. Our long-time focus and investment in employee development; diversity, equity and inclusion (DEI); workplace safety; and employee engagement reflect a core ethos of our culture: great businesses are a function of great people. During the last several years, we continued on this journey and sharpened our focus to create an institutional-quality and sustainable ESG program that is not just ingrained in our firm's culture but also consistent with our responsible investment practices and operating company partnerships.

Firmwide Commitment

From our Investment Committee process and Operations Group to our ESG and DEI Committees, our ESG program demands participation from all levels of our firm. We continue to expand our internal and company efforts to address today's challenges and tomorrow's risks while holding ourselves accountable to our partners and the broader ESG community.

How We Invest

We value companies with strong ESG and sustainability practices. We have integrated responsible investment principles into our Investment Committee process. The risks and opportunities we identify drive our post-closing company oversight and partnership efforts.

Partnering to Build Great Companies

ESG-focused commitment and execution are integral to our broader operations playbook to build stronger, better companies. We encourage you to review the case studies in this report about ProAmpac's achievements in the sustainable packaging industry and C.H. Guenther & Son's commitment to DEI.

A Look Forward: Climate Risk

Our ESG program will now enable us to further address one of our society's and economy's greatest risks: climate change. Continuing our historical efforts and working within a globally recognized framework, we will more aggressively map emissions and material climate risks across our group of companies as we look to do more to protect the environment and to manage associated risks.

This has been an exciting, transformative year at PPC. With much work to be done, we look to the future with optimism and appreciate your continued support and confidence in us.

Anthony N. Pritzker
Chairman & CEO

Paul J. Carbone
President & Managing Partner



Anthony N. Pritzker
Chairman & CEO



Paul J. Carbone
President & Managing Partner

2020-2021 Progress and Highlights

ACCOMPLISHMENTS & EVENTS

Capital Raise

Closed PPC III at its hard cap of

\$2.7 billion,

exceeding original target of \$2 billion, completing one of the largest family investment vehicles raised in North America



Certified Green Building

Relocated our headquarters office to a LEED Gold and Core Well Platinum certified building



Pritzker Emerging Environmental Genius Award

With support of the Anthony and Jeanne Pritzker Family Foundation and UCLA Institute of the Environment & Sustainability, presented the fifth annual award to an emerging leader poised to address serious environmental concerns

RESPONSIBLE INVESTMENT



Performance Reporting

Worked with operating companies to identify and report industry- and company-specific ESG key performance indicators

Investment Committee Process

Increased the structure and consistent application of ESG factors into our investment review process with the support of firm leadership



U.N. Sustainable Development Goals

Provided training to operating company management teams to promote performance tracking and cross-company collaboration

GOVERNANCE



Responsible Investing

Became a formal signatory to the U.N. Principles for Responsible Investment (PRI)



ESG Committee and Operations Group

Formalized collaboration between our ESG Committee and Operations Group leadership to develop and improve PPC and company ESG policies and practices



Transparency

Completed our first PRI reporting cycle and published our first annual ESG Report

PEOPLE & COMMUNITIES



Talent Development

Launched PPC University graduate-level business education courses for the employees of our companies in partnership with Kelley School of Business Executive Education at Indiana University

Employee Engagement

Continued to score above the norm in the financial services sector, signaling that overall, PPC employees are satisfied and proud to work for our firm

Employee Support

\$1+ million

donated by PPC leadership to our group of companies for COVID-19-related employee assistance

Philanthropy

Increased PPC's Matching Gift Program to a 3 to 1 match for employee charitable contributions

ESG Program Governance

Collaboration and ongoing communication across the firm drive the oversight and execution of our responsible investment practices.

Pritzker Private Capital's responsible investment practices are governed by our ESG Policy and implemented by our ESG Committee, which is composed of professionals from diverse experiences, skill sets and functional groups. The committee meets on a quarterly basis to review progress.

Our Investment Committee assesses ESG diligence findings and opportunities throughout the Investment Sourcing and Analysis process.

The Operations Group works with our companies to leverage ESG opportunities and best practices as part of the Company Oversight and Partnership process.

These groups are composed of professionals from different backgrounds and seniority levels, including members of senior leadership. Efforts are shared across our investment, operations and company management teams with the help of the ESG advisors noted below. This collaboration provides for broad participation in the planning and execution phases of our ESG program.

Expert Advisors

Our firm engages a network of expert advisors who assist with our ESG journey. With their in-depth, current expertise on critical aspects of ESG management, these partners help ensure that we – and our family of companies – remain on the forefront of emerging issues.

For example, we engage with ESG consultants Bridge House Advisors throughout the due diligence and company oversight phases of the investment life cycle. The Kaleidoscope Group advises on our DEI initiatives by conducting training, advising our ESG Committee and helping shape our DEI strategy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE



Brad West
Partner, General Counsel and
Chief Compliance Officer, Chair



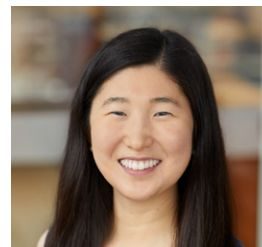
David Gau
Partner, Head of Operations



Chris Trick
Investment Partner,
Manufactured Products



Chris Brannan
Assistant General Counsel
and ESG Officer



Silvia Yim
Human Resources Manager



Edgardo Devariel
Senior Associate

Diversity, Equity and Inclusion

We believe that businesses with diverse, equitable and inclusive workplaces will thrive and outperform their peers.

We invest in diversity, equity and inclusion (DEI) not only because it is good for business but also because it is the right thing to do. We aspire to become a DEI leader in the private capital industry and strive to accomplish this through the four pillars of our DEI strategy, as presented below.

A Better Foundation

Helping build better businesses is the foundation of PPC; our DEI focus strengthens that foundation. To promote a diverse

workforce, we partner with external advisors and organizations that can bring different viewpoints, unique perspectives and access to underrepresented groups. A culture of mutual respect welcomes the differences that fuel innovation and helps us build leading businesses for the long term.

DEI Governance

The policies and practices that drive progress in these areas are managed by the DEI Committee, which comprises a diverse group of individuals with respect to gender, ethnicity, experience, practice group and seniority level. The group convenes quarterly and reports firm achievements and progress toward our DEI strategy to both the Operations Group and the broader firm.

DEI Committee

Stephanie Paine
Partner, Chief Financial Officer, Chair

David Gau
Partner, Head of Operations

Silvia Yim
Human Resources Manager

Erica Kolin
Senior Event Coordinator

Anna Pelch
Senior Associate

2020-2021 FOCUS AND ACCOMPLISHMENTS

Culture	Talent	Partnerships	Community
<p>Build a consciously inclusive culture</p> <ul style="list-style-type: none"> Completed formal trainings on acting courageously, privilege and allyship, and talking about race Improved results of our annual firmwide engagement survey Continued success of our mentorship program 	<p>Attract and develop diverse professionals</p> <ul style="list-style-type: none"> Attracted new talent from underrepresented groups at many levels, including our incoming associate class and the Pritzker Advisory Board Maintained female representation at every level within PPC 	<p>Engage with DEI-focused organizations</p> <ul style="list-style-type: none"> Held an event hosted by the Pritzker Women’s Network to foster partnerships with professional and charitable organizations Maintained partnerships with Chicago United and The Chicago Network 	<p>Commit to benefiting the communities we touch</p> <ul style="list-style-type: none"> Completed lunch-and-learn events for PPC members to share personal charitable relationships and community involvement Continued to evaluate formal partnerships with charitable organizations with a DEI focus

Stakeholder Engagement

We believe that a meaningful, sustainable ESG program is derived from broad collaboration.

Cooperation and collective action among PPC employees, operating company teams, investor partners and the broader ESG community are integral to accelerating our journey.

Company-Centered Approach

We have a greater capacity to achieve positive business and societal outcomes when we engage in targeted collaboration with our company management teams. We take a company-by-company approach to identify and address ESG issues and opportunities that are common to all companies or specific to only certain sectors or industries.

PPC Firmwide Approach

In our ESG program, PPC employees of all levels of seniority play a role. This firmwide commitment, with the support of senior management, has enabled us to scale our practices to drive meaningful analysis and outcomes. We engage with firm employees through periodic ESG program updates, frequent informal trainings and reminders of ESG program obligations and other ESG-related firm interactions (e.g., employee engagement

discussions, DEI trainings, Pritzker Women's Network events). We share information about our ESG initiatives and also address broader employee concerns. We hear our employees' concerns through a variety of means, including an annual employee engagement survey. Results of our most recent survey show that we have grown meaningfully closer as a firm during the past year, despite the pandemic and social unrest.

Investor Partners

Many of our investor partners are committed to creating a sustainable world for our and future generations. PPC has engaged with our investor partners to leverage ESG knowledge and best practices. For example, our alignment of operating company practices with the U.N. Sustainable Development Goals (SDGs) corresponds with investor partner concerns that surfaced during the due diligence phase of PPC's recent capital raise.

ESG Community

PPC became a signatory to PRI to not only show our alignment with these widely used principles, but also to share our progress and obtain feedback from other members of the ESG community. Through our involvement and membership on an ESG Working Group, we look forward to engaging with our peers on emerging risks, opportunities and best practices.

Community Partnerships

Ongoing relationships with leading community-based organizations enhance our positive impact through focused volunteerism and outreach. We also gain insights into the concerns of the groups they serve.



THE CHICAGO NETWORK

Promotes a vision of gender equity for women of all colors



Creates a supportive environment for racially diverse CEOs and executive-level management

RESPONSIBLE INVESTMENT

As a leading family direct-investment firm committed to creating lasting change, we utilize a values-driven, proactive approach to the consideration of ESG issues. We believe that thoughtfully addressing relevant ESG issues better positions us – and our companies – to identify and manage potential risks while expanding opportunities for improving performance and outcomes. Pritzker Private Capital’s commitment to responsible investment principles is infused throughout our culture, enhanced by stakeholder engagement, and extends throughout the entire investment cycle, from early-stage investment sourcing and diligence through long-term company partnership and oversight.

ESG PROGRAM OVERVIEW

Firm Culture and Commitment

- Commitment from the PPC Management Committee ensures sustained institutional ESG commitment and resource allocation.
- We educate employees on the rationale, strategy and practices of our ESG program.

Investment Sourcing and Analysis

- Early-stage sourcing efforts reflect our firm values and ESG commitments.
- Target industry and company ESG diligence highlights risks and opportunities for the team to consider as part of our Investment Committee process.

Company Oversight and Partnership

- Our ESG program governs certain ESG-related expectations and requirements for our group of companies.
- We partner with our companies to reduce ESG risks and capitalize on ESG opportunities identified during the diligence process.

Stakeholder Engagement

- PPC is committed to transparency in our integration of ESG considerations. As a PRI signatory, our firm completes applicable reporting requirements.
- We engage with our stakeholders to leverage and share best practices.



Investment Sourcing and Analysis

Careful consideration of ESG opportunities and risks guides our pre-investment process.

Our firm culture and commitment to ESG principles provide a lens through which our investment professionals evaluate and select companies to join the Pritzker Private Capital family of companies. This commitment to

responsible investment principles is present through the entire investment analysis and decision-making process, beginning with initial sourcing considerations and extending throughout our Investment Committee’s process.

We seek opportunities within our target industry sectors and value those that align equity value creation and positive societal impact.

INVESTMENT COMMITTEE DILIGENCE PROCESS



PPC screens prospective investment opportunities and avoids companies in industries based on defined criteria. We also attribute value to businesses with the following characteristics:

- Sustainable production and consumption
- Safe and secure work environment
- Diverse, inclusive workplace culture
- Strong governance and compliance functions
- Contributions to public health, safety and well-being

Before submitting an initial bid, PPC’s Investment Committee reviews an Industry ESG Risk Assessment Scorecard on each prospective investment. These scorecards are created by the applicable deal team using Sustainalytics ratings of comparable public companies.

Before authorizing the execution of a binding purchase agreement, the Investment Committee also reviews a Company ESG Risk Assessment. These proprietary scorecards are completed using third-party diligence assessments and are informed by:

- Sustainability Accounting Standards Board (SASB) Materiality Map
- Identified company-specific risks
- PPC areas of focus, including environmental, cybersecurity and DEI efforts

Industry ESG Risk Assessment Scorecard

ESG Opportunity Comparison					Sustainalytics Product Assessment	
Company	Total ESG Risk	Environmental Risk	Social Risk	Governance Risk	Product and Activities	Significant Investment
Casey's	Green	Yellow	Green	Green	General Consumer	Yes
Costco	Green	Yellow	Green	Green	Retail	Yes
Home Depot	Green	Yellow	Green	Green	Home Improvement	Yes
Home Depot (Retail)	Green	Yellow	Green	Green	Home Improvement	Yes
Home Depot (Construction)	Green	Yellow	Green	Green	Construction	Yes
Home Depot (Supply Chain)	Green	Yellow	Green	Green	Supply Chain	Yes
Average	Yellow	Yellow	Green	Green		

Company ESG Risk Assessment Scorecard

ESG Area of Focus	Baseline Industry Risk ¹	Company Relative Risk ²	Scope of Review	Commentary
Workforce Health and Safety	Red	Green	<ul style="list-style-type: none"> • Safety training • PPE usage • Worker compensation • OSHA compliance • Safety record • Safety training • Safety record 	<ul style="list-style-type: none"> • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain)
Product Safety	Yellow	Green	<ul style="list-style-type: none"> • Safety record • Safety record • Safety record • Safety record • Safety record • Safety record • Safety record • Safety record 	<ul style="list-style-type: none"> • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain)
Air Emissions	Red	Green	<ul style="list-style-type: none"> • Safety record • Safety record • Safety record • Safety record • Safety record • Safety record • Safety record • Safety record 	<ul style="list-style-type: none"> • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain) • Significant safety incidents reported in 2022 (sprain and strain)

¹ Based on ESG Group ESG Health and Safety Materiality Map
² Assessment of how the target company manages the applicable industry risks
 Legend: Green = Low Risk, Yellow = Medium Risk, Red = High Risk

Company Oversight

We leverage the ESG risks and opportunities identified during our due diligence process to guide our post-closing areas of focus.

In keeping with Pritzker Private Capital’s heritage of building companies with a long-term focus, our Operations Group has taken the lead on enhancing our operating company oversight and governance. In addition to creating a 100-Day Plan for each new investment, we have implemented ESG-focused key performance indicators (KPIs), described below, and reported on actions that support achievement of specific U.N. Sustainable Development Goals (SDGs) as described on the next page.

KPIs: Measuring Progress Toward Goals

We believe that the structured ESG performance reporting process introduced in 2020 will provide transparency and accountability and help drive improvement on key issues over time. This expands on existing company board reporting, which has consistently included employee safety metrics and progress against DEI goals. PPC began by working with our companies to select ESG-focused KPIs meaningful to each company’s operations, employee base, stakeholders and/or communities. We leveraged company-specific diligence findings, SASB’s industry ESG risk profiles and sample Global Reporting Initiative metrics to apply this process to each company’s profile and goals. Our companies have gathered data and established benchmarks to improve on existing practices or to launch new sustained excellence initiatives.

Groupwide ESG Reporting

Companies will continue to regularly report on:



Employee Safety



Diversity, Equity and Inclusion

KPI REPORTING ISSUES	
COMPANY	ESG FOCUS AREAS
Manufactured Products	
C.H. Guenther & Son Branded and private label food products	Energy Management Food Quality and Safety Sustainability
Plaskolite Transparent thermoplastic sheet products	Energy Management Waste Management
ProAmpac Custom flexible packaging solutions	Employee Welfare Hazardous Materials Management Sustainability
PLZ Aerospace Specialty aerosol and liquid product manufacturing	Diversity and Inclusion Energy Management Responsible Products
Vertellus Unique specialty chemistry solutions	Hazardous Materials Management Water Management
Services	
Energy Distribution Partners Propane and light fuel distributor	Data Security Emissions
Highline Warren Automotive aftermarket product distributor	Energy Management Waste Management
Valicor Non-hazardous wastewater treatment services	Employee Engagement Employee Retention
Healthcare	
KabaFusion Patient-focused infusion therapy	Customer Welfare Employee Retention Product Quality and Safety
PathGroup Anatomic, clinical and molecular pathology services	Employee Retention Waste Management

Addressing the SDGs

Using the U.N. SDGs as a framework, we work with our family of companies to identify opportunities to address global issues.

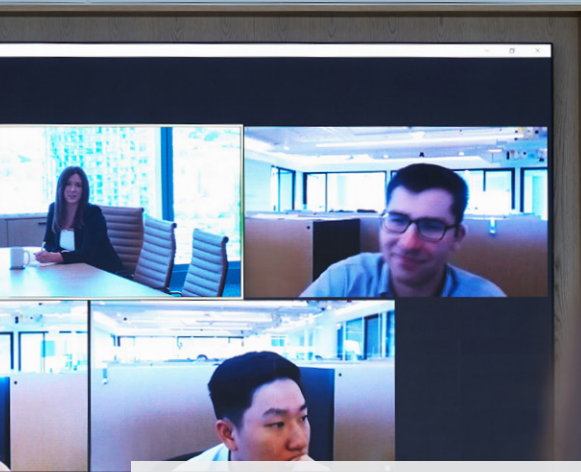
We have the responsibility and opportunity to use our scale and resources to do our part in addressing the enormous challenges facing society. We recognize that the SDGs serve as a consistent framework widely valued by the ESG community and our stakeholders as a tool for identifying, understanding and assessing the sustainability impact of a company's actions. Thus, we are working to equip our companies to understand and embrace the SDGs as a powerful tool to strengthen their businesses and contribute to a greater global effort.

Identifying Opportunities

To this end, in 2021 we supported our companies in identifying SDG-related areas of impact through a thoughtful approach that supports global, firm and investor goals while fostering company success and financial performance. Our companies mapped their current programs and initiatives against the SDGs with the assistance of a third-party ESG advisor. The outcomes of this analysis, shown at right, pinpoint opportunities to drive down operational costs, reduce risk and create shared value. We recognize that the results of this analysis can be subjective, as actions that are most aligned with a particular SDG can often also address one or more additional SDG. Our companies will also be better positioned to respond to stakeholder inquiries around their management of ESG issues and sustainability in meaningful ways. Finally, we encourage our companies to share SDG-related best practices and exchange insights that can lead to better business and societal outcomes.

We view this initial mapping as the first step in our journey to more fully align existing ESG efforts and company operations to help drive alignment with relevant SDGs.

SDGs ADDRESSED BY OUR COMPANIES		
MAPPING ACTIONS TO THE SDGs		
COMPANY	SDG CONTRIBUTION	SDGs ADDRESSED
Manufactured Products		
C.H. Guenther & Son	Community involvement, DEI, food programs, greenhouse gas (GHG) emissions reduction, responsible consumption	2, 3, 5, 7, 10, 11, 12, 13, 17
Plaskolite	Community partnerships, education programs, food donation, responsible consumption	2, 3, 4, 5, 7, 10, 12, 13, 17
PLZ Aerospace	DEI, renewable energy, responsible production	5, 7, 10, 12, 13
ProAmpac	Clean energy, clean water, DEI, responsible consumption	5, 6, 7, 10, 12
Vertellus	GHG emissions reductions, partnerships, quality education, renewable energy, responsible consumption	4, 7, 12, 13, 17
Services		
Energy Distribution Partners	DEI, GHG emissions reductions, responsible consumption	5, 7, 10, 12, 13
Highline Warren	Clean water, DEI, energy efficiency, GHG emissions reduction, responsible consumption	5, 7, 10, 12, 13, 14
Valicor	Clean water, employee safety, partnerships, renewable energy, research and development, responsible consumption	3, 4, 6, 7, 12, 13, 14, 15, 17
Healthcare		
KabaFusion	DEI, GHG emissions reductions, energy efficiency, health and well-being	3, 5, 7, 10, 12, 13
PathGroup	DEI, health and well-being, support of education programs	3, 4, 5, 10, 17



We partner with our companies to implement responsible investment practices.

Company ESG Expectations

We believe that there is a right way to do business, which includes PPC and company commitment to strong ESG principles.

At Pritzker Private Capital, our company management teams demonstrate positive leadership in ESG matters. We believe that companies are more likely to flourish when they:

- **Provide appropriate levels of oversight** in the areas of audit, risk management, and potential conflicts of interest and work with PPC to implement compensation and other policies that align the interests of owners and management
 - **Remain committed to compliance** with applicable national, state and local labor laws in the countries in which the company operates; support the payment of competitive wages and benefits to employees; provide a safe and healthy workplace in conformance with national and local law; and, consistent with applicable law, respect the rights of employees to decide whether to join a union and engage in collective bargaining
 - **Respect human rights**, including by prohibiting the use of child or forced labor or maintenance or promotion of discriminatory policies
 - **Provide timely information to the PPC Operating Partner** on the matters addressed in these guidelines and work to foster transparency about the operating company's activities
- **Consider environmental, public health, safety and social issues** associated with the conduct of the company's business
 - **Select and monitor key performance indicators** to manage industry- or company-specific ESG risks, and periodically report progress to the Board
 - **Be accessible to, and engage with, relevant stakeholders** either directly or through company representatives, as appropriate
 - **Grow and improve the company for long-term sustainability** through tracking toward the SDGs, including with respect to environmental, social and governance issues, with the goal of improving performance and minimizing adverse impacts in these areas

COMPANY PARTNERSHIP

Pritzker Private Capital has a history of bringing significant financial and operational resources to help grow middle-market businesses. A leader in family direct investing, we understand and embrace the complexities inherent in scaling a business. Our intent is to strengthen and improve our family of companies so they will be stronger and more sustainable when we exit our investment.

We provide access to our in-house Operations Group, a broad network of advisors and strategic partnerships, to support management's efforts to drive growth and build a market-leading, sustainable company. Our Operations Group offers a playbook that includes more than 55 Operations Modules addressing critical operational issues as well as current and emerging ESG issues.

By selectively implementing modules within the topic areas shown below to address relevant needs, we strategically deploy our resources where they can make the most impact.

Leadership

Human Capital

Finance

Sales and Marketing

Acquisitions

Real Estate

Operations

Technology

ESG in Operations

Our Operations Group collaborates with companies on a range of topics, supporting them with resources and expertise to enhance their performance.

Our engagement with our operating companies covers various aspects of their business operations, including a growing number of ESG issues. In addition to providing access to a host of best practices and expertise in areas including Finance, Acquisitions, and Sales and Marketing, we encourage our companies to participate in and benefit from the ESG-focused Operations Modules shown to the right.

To help our companies stay current with emerging trends, we periodically expand our resources and add new Operations Modules as needed. In 2021, we launched PPC University to advance the professional development of company management, and in 2022 we plan to introduce a climate change road map to equip companies with resources to address this critical global challenge. Both new resources are described in further detail on the following pages.

ESG-FOCUSED OPERATIONS MODULES

ENVIRONMENTAL	
Environmental Compliance	Engage third-party experts to diligence company practices to identify risks and opportunities for best practices
Climate Change (2022)	Perform analyses to identify priority climate risks and opportunities to further reduce company carbon footprints
SOCIAL	
Employee Engagement	Conduct company-wide employee engagement surveys and subsequent response implementation efforts
Diversity, Equity & Inclusion	Engage with companies to develop a DEI strategy, host cross-company trainings and discussions
Health & Safety	Provide resources to ensure that companies engage in relevant safety training such as STOP, lockout/tagout and active assailant awareness
Professional Development (2021)	Support the professional development of emerging leaders across the PPC family of companies through their participation in PPC University
GOVERNANCE	
Cybersecurity & Information Technology	Support company IT infrastructure and cybersecurity efforts with PPC-preferred providers and access to in-house PPC IT manager
Leadership	Host cross-company forums and trainings for executive collaboration and best practices; e.g., annual Executive Forum, monthly CEO calls, and quarterly CFO and CTO calls
ESG Management	Conduct legal training on ESG best practices, including formation of ESG committees and proper ESG oversight

PPC University

We're equipping emerging leaders with the skills for building businesses with a long-term focus.



The growth of our people is pivotal to the growth of our businesses. Based on that belief, in 2021 we introduced a groupwide continuing education initiative that embodies our commitment to support the growth of our companies and invest in our talented teams. We launched PPC University, a series of customized, graduate-level business education courses developed and presented in partnership with Kelley School of Business Executive Education at Indiana University.

Training the Leaders of Tomorrow

PPC University courses will support the professional development of emerging leaders across our family of companies. The program is guided by PPC's long-standing commitment to partner with our companies, invest in their people and culture, and build successful businesses for the long term.



PPC University began instruction in March 2021, offering tailored courses designed and taught by Kelley School faculty with select Pritzker Private Capital leaders participating as guest lecturers. Courses focus on five specialty areas: modern marketing, finance, operations, data analytics, leadership and people management.

2021 HIGHLIGHTS*

Enrolled
150
employees
across 11 companies
in individual or
multiple courses

Offered
5
graduate-level
business courses
in relevant specialty
areas

PROFESSIONAL DEVELOPMENT



Must be nominated to participate



Eight to ten 90-minute classes



Primarily virtual classes



Class sizes range from 20 to 30 students



General Management Certificate awarded with completion of four courses

* As of August 30, 2021

Climate Change Road Map

We seek to manage risks, reduce impacts and seize opportunities arising from this global challenge.

PPC shares and supports society’s concerns regarding the serious impacts and grave risks that climate change presents to our companies, stakeholders and society. And, we also see opportunities for positive impact. Thus, we are expanding our ESG program to

further our concerted effort on climate change as a means of helping our companies become stronger, more sustainable enterprises for the long run, including beyond our ownership period.

An Integrated Approach

We are establishing roles and responsibilities at both the firm and company levels to ensure that we thoughtfully and meaningfully understand and manage our climate risks, opportunities and impacts. We will engage an outside expert to train our investment professionals and management teams on managing

climate change impacts and seizing related opportunities for creating value.

We plan to take a formal, tailored approach in partnering with our companies to assess and reduce their carbon footprints and climate-related risks. In 2022, we will begin working within a globally recognized framework to map GHG emissions and help set prudent reduction targets at relevant companies.

We will execute this plan within a framework similar to our previous and ongoing ESG initiatives, in which actions are integrated through all phases of our investment process.

CLIMATE CHANGE ROAD MAP

		ESG PROGRAM PHASES			
INVESTMENT PROCESS	PPC Governance	Firm Culture and Commitment	Investment Sourcing and Analysis	Company Oversight and Partnership	Stakeholder Engagement
ACTION	Our ESG Committee will coordinate our climate-related initiatives and regularly report on progress to the PPC Operations Group.	We intend to conduct trainings with our broader PPC team and group of companies to discuss the importance of addressing climate change risk for both financial and societal reasons.	We will continue the practice of assessing physical climate risk during the due diligence process for new platform transactions.	<ul style="list-style-type: none"> Our company ESG contacts and working groups will partner on climate-related initiatives with PPC and outside advisors. Company boards will be kept apprised of progress on the mapping and GHG emissions reduction goal-setting processes. 	PPC and our group of companies will collaborate with each other to exchange learnings and best practices that can lead to stronger outcomes. We will consult with recognized third-party advisors who can share their expertise on climate-related matters.



Spotlight: Pushing the Boundaries

ProAmpac and its customers push the boundaries of sustainable innovation at the Collaboration and Innovation Center in Rochester, New York. Opened in July 2021, this energy-efficient \$8 million 35,000-square-foot facility serves as an incubator for developing and testing new technologies from design to customer application.

Case Study: ProAmpac

Environmentally responsible solutions delight customers while advancing the circular economy.

ProAmpac's ProActive Sustainability approach is fueling the company's growth by helping customers achieve their sustainability goals.

Sustainability Through Innovation

Innovation is a cornerstone of ProAmpac's strategy and success. With a team of engineers and material scientists, ProAmpac's product development group conceived and commercialized the award-winning ProActive Sustainability family of products, including recyclable, renewable, postconsumer recycled (PCR) and compostable product lines. ProAmpac has recently filed for three patents and has three more disclosures tied to sustainable product solutions.

Sustainability Through Market Demand

In partnership with its customers, ProAmpac is on the front line driving the need and solutions for sustainable packaging. These options include reducing packaging through rigid replacement, innovating mono-material structures for recycling, adding PCR, using renewable materials and offering compostable products. As an example, ProAmpac's long-term

partnership with C&D Foods (the pet food division of ABP Food Group, one of Europe's leading food group processors) is facilitating expansion of production and employment at ProAmpac Ireland and repositioning this facility as a global hub for sustainable packaging innovation.

Sustainability Through Acquisition

Since late 2020, ProAmpac has expanded its geographic reach and product line by acquiring several companies with a sustainable emphasis:

- APC Paper (U.S.) – Specializes in 100% recycled kraft paper products
- El Dorado (U.S.) – A leader in multiwall large format paper bags
- Rapid Action Packaging (UK/Ireland) – U.K.-based manufacturer of innovative and sustainable cellulose-based packaging
- The Rosenbloom Group (Canada) – A regional leader in recyclable paper shopping bags
- Ultimate Packaging (UK) – Specializes in innovative flexible food packaging solutions

ProAmpac is a leading global flexible packaging company providing creative packaging solutions to a diverse global marketplace. Based in Cincinnati, Ohio, ProAmpac has 45 manufacturing sites, with more than 5,800 employees supplying more than 5,000 customers in 90 countries.

Case Study: C.H. Guenther & Son

Giving every employee the opportunity to succeed fuels innovation and business outcomes.

This food manufacturer looks to the future by investing in the people that keep it at the front of food innovation. The company prioritizes and invests in diversity, equity and inclusion (DEI) because it touches four of the company’s sustainability initiatives: people, product, community and governance.

A Productive Global Workforce

Creating an inclusive culture is an on-going challenge given the manufacturer

has facilities in five countries in both rural and urban locations. Its workforce includes employees from many historically underrepresented groups, often concentrated by location. To foster a harmonious and productive workforce that engages all employees, regardless of background, the company has launched a number of DEI initiatives. One critical step was to provide leadership by creating and staffing the position of Inclusion & Diversity director.

C.H. Guenther & Son has established business resource groups (BRGs) as networks for Black, Hispanic, Next Gen, LGBTQ, veteran, women and Canadian employees and their allies. These groups give diverse employees a forum to discuss common concerns, learn from each other and work

together to help the company meet strategic business challenges.

The company set goals in early 2021 to increase the number of individuals from historically underrepresented groups in critical areas such as engineering, corporate officers and directors and IT through targeted recruitment, talent development and succession planning.

To support both of these efforts, the company has delivered monthly targeted training for management and employees on a range of issues, including management awareness of mitigating blatant and inadvertent discrimination.

Boosting Supplier Diversity

C.H. Guenther & Son’s commitment to advancing diversity, equity and

inclusion extends into its supply chain. The company has reported on its supplier diversity spend to eight major customers since 2019. It has recently increased the accuracy of its tracking and identified and developed vendors from historically underrepresented groups with a goal to boost spend with diversity suppliers from approximately 3% to 6% by 2025. C.H. Guenther & Son’s DEI efforts align with its customers’ priorities, propel the company’s mission and deliver long-term strategic business advantage.

C.H. Guenther & Son is a growing corporation delivering high-quality and traditional flavors since 1851. With 24 locations in the United States, Canada, UK and EU, the company is a leading supplier of biscuits, buns and breads; gravies, sauces and baking mixes; and other grain-based products to food service and select consumer markets.



Spotlight: Breaking Bread Around Sensitive Conversations

Associates from 24 facilities engaged in five real-time lunch-and-learn events (and subsequent recordings) with external subject matter experts. The conversations addressed issues employees may have been hesitant to voice, from minority roles in leadership and challenges to women in business to talking with veterans and generational differences.



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