



Facing Challenges Together

2020 ESG REPORT

About Oak Hill Capital

Oak Hill Capital is a private equity firm managing funds with approximately \$16 billion of initial capital commitments and co-investments since inception. Over the past 34 years, Oak Hill and its predecessors have invested in more than 90 private equity transactions across broad segments of the U.S. and global economies.

Our Investment Approach «

Our Firm applies an industry-focused, theme-based approach to investing in the following four sectors: Consumer, Retail & Distribution; Industrials; Media & Communications; and Services. Oak Hill works actively in partnership with management to implement strategic and operational initiatives to create franchise value.

Ethics and Engagement «

Since our founding by Robert M. Bass over 30 years ago, Oak Hill's partners have been and continue to be engaged not only in the Firm business but also in the communities in which they live. Our Partners and leaders established and continue to cultivate relationships with major universities, civic organizations, and leading nonprofit organizations such as Environmental Defense Fund and BSR, which are focused on environmental protection and social issues. They have always focused on environmental responsibility; refused to invest in weapons manufacturers, payday lenders, casinos, or any other business that hurts the economically disadvantaged; and sought to develop and maintain best-in-class corporate governance structures.

About This Report «

This eighth annual environmental, social, and corporate governance (ESG) report describes our recent efforts to measure and improve performance on the ESG issues that are most important to the Firm's investment activities. This report details our efforts during 2020, and all data are as of December 31, 2020 unless otherwise noted.

Please note that the program and goals presented herein are aspirational and may not be achieved. This report focuses on highlights from our ESG program in 2020 and is not intended to be comprehensive. Please see disclaimers at the end of the report for important information.

We value your feedback on our ESG initiatives and welcome your comments on this report and our performance to date. You may contact us at InvestorRelations@oakhill.com.

Contents

2
About

6
COVID-19
Response

12
Diversity
& Inclusion

17
Integration

27
Results

30
Climate
Leadership

32
Metrics

ESG Integration Strengthens Our Resiliency

TO OUR STAKEHOLDERS

Ten years ago Oak Hill embarked on an effort to formally integrate environmental, social, and governance considerations into our investing and management activities. We are proud of the progress we have made since then. We believe that each step has benefited our investors, Firm, employees and portfolio companies, and the communities we all share.

We faced unprecedented challenges in 2020 and responded with ESG leadership and resources to support our portfolio companies and communities. While these challenges tested our resilience, we emerged stronger together.

► **COVID-19 Response:** In response to the global pandemic and economic dislocation, our Firm and portfolio companies mobilized resources to safeguard the health of employees, meet customer commitments and respond to urgent community needs. Most notably, we catalyzed the launch of Employee Assistance Funds at six portfolio companies, enabling each to quickly adopt a program that efficiently and equitably assists employees in distress. To date, 600 employees have received financial assistance. To help portfolio companies effectively deal with

employment issues triggered by COVID-19 and the CARES Act, we provided training on related issues.

► **Diversity & Inclusion:** To maximize the potential of the human capital at the Firm and across our portfolio companies, we began drafting our first formal Diversity & Inclusion plan and increased diversity and inclusion on the boards of our portfolio companies. We have work to do, but we believe these steps will better position our Firm and our portfolio companies for long-term success.

Our efforts took on an added urgency as we were reminded of the systemic economic disparities and social inequities in our communities and workplaces. We continued opening doors of opportunity to underrepresented students through internship and mentoring programs.

► **Integration:** After eight years of development, experience, and focus, we have integrated ESG considerations into our core business activities. For the second consecutive year, Oak Hill received an overall A+ in PRI's Assessment Report.*

► **Results:** Despite COVID-19, we continued to build our ESG program into Oak Hill portfolio companies. Three examples are highlighted in this report:

- At Galway Insurance Holdings, we prioritized and sustained employee equity ownership across a large number of employees in the workforce—a key to properly aligning interests.
- Charter Next Generation is turning the tide on plastic waste through its award-winning recycled content and recyclable products, and its commitment to a circular economy for plastic packaging.
- With our support, Berlin Packaging is developing a comprehensive, industry-leading sustainability program.

► **Climate Leadership:** As a founding partner and supporter of Emergent Forest Finance Accelerator, we are combating climate change by mobilizing capital to reduce global deforestation and preserve biodiversity.

► **Metrics:** We continue to measure our Firm's progress as well as that of our portfolio companies. This is an area of developing work for the Firm.

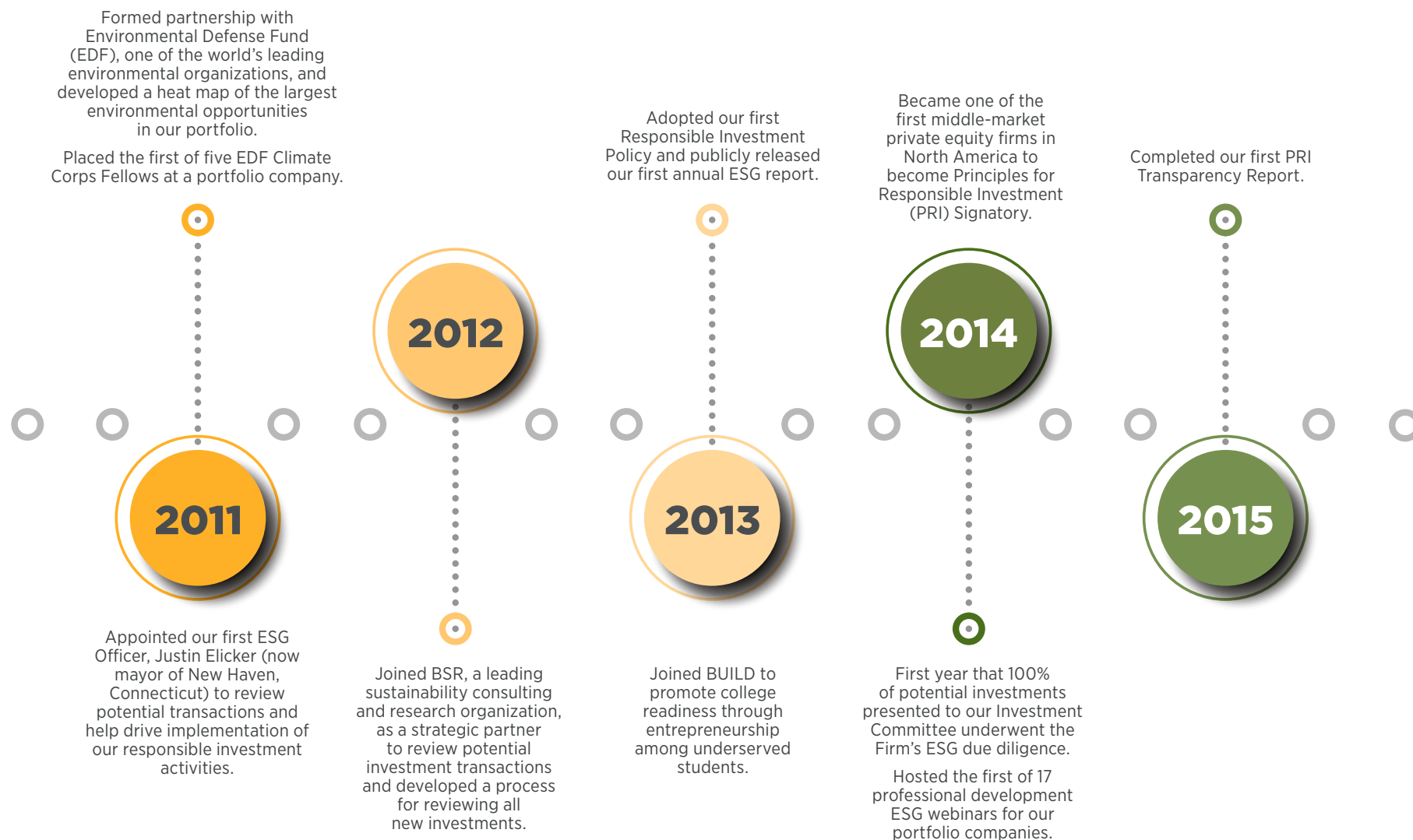
We appreciate your continued partnership and are excited to share our progress with you.

OAK HILL ESG COMMITTEE

* Principles for Responsible Investment ("PRI") is not considered an official rating agency, and their Assessment Report is one measure of Oak Hill's ESG initiatives. For more information on PRI qualifications and reporting metrics, please see unpri.org.

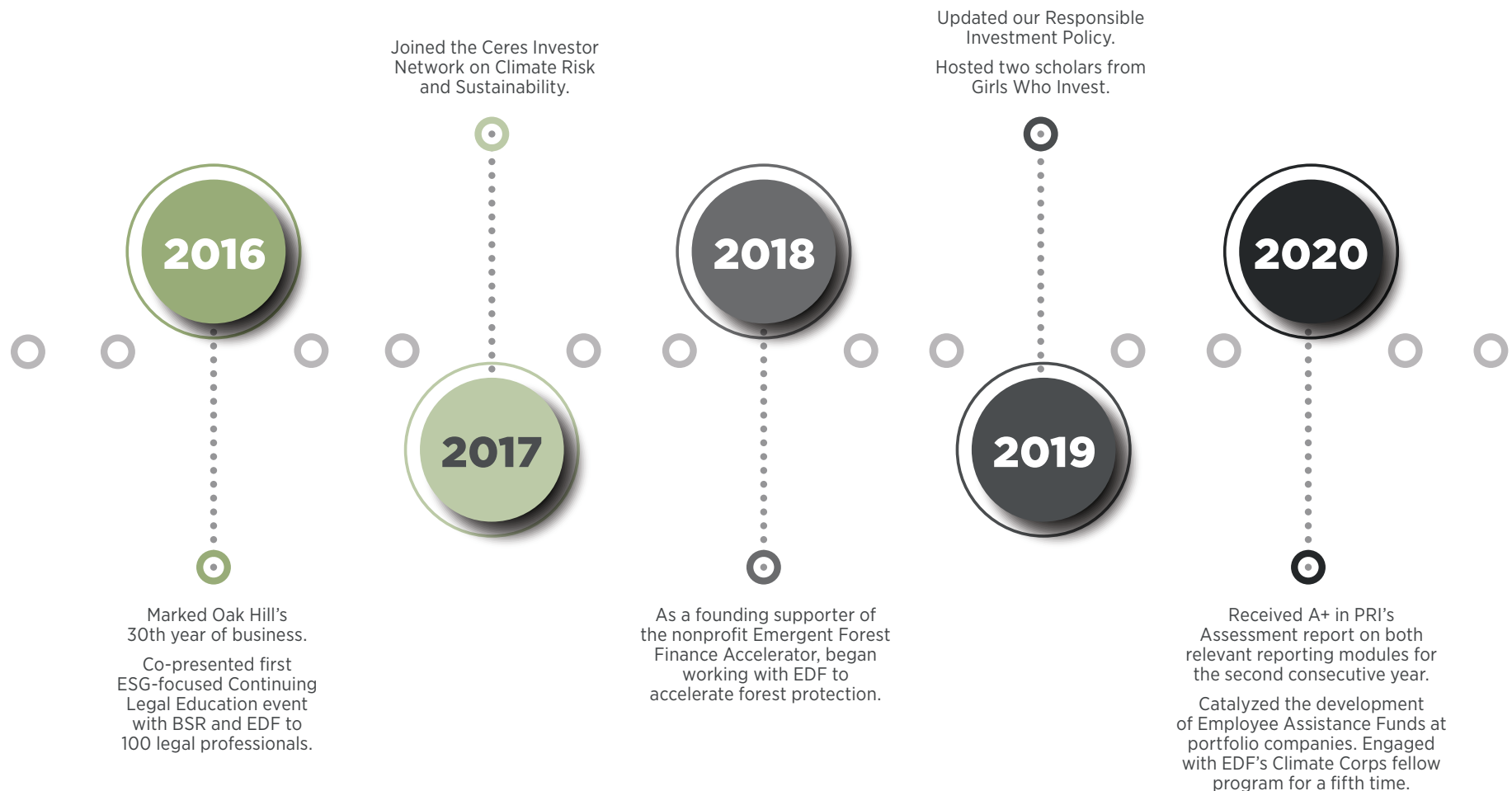
A Decade of Working With ESG Partners

For the past decade, Oak Hill has advanced our responsible investing approach by forging relationships with organizations on the forefront of creating a more sustainable and resilient world.



Our Partnerships Continue

As our responsible investing progress continued, we deepened our commitment to ESG partnerships by expanding our network of partnerships. Joining with innovative, influential organizations, we co-founded a market-based solution to deforestation, achieved excellence in transparency, and advanced educational opportunities for students in underrepresented groups.

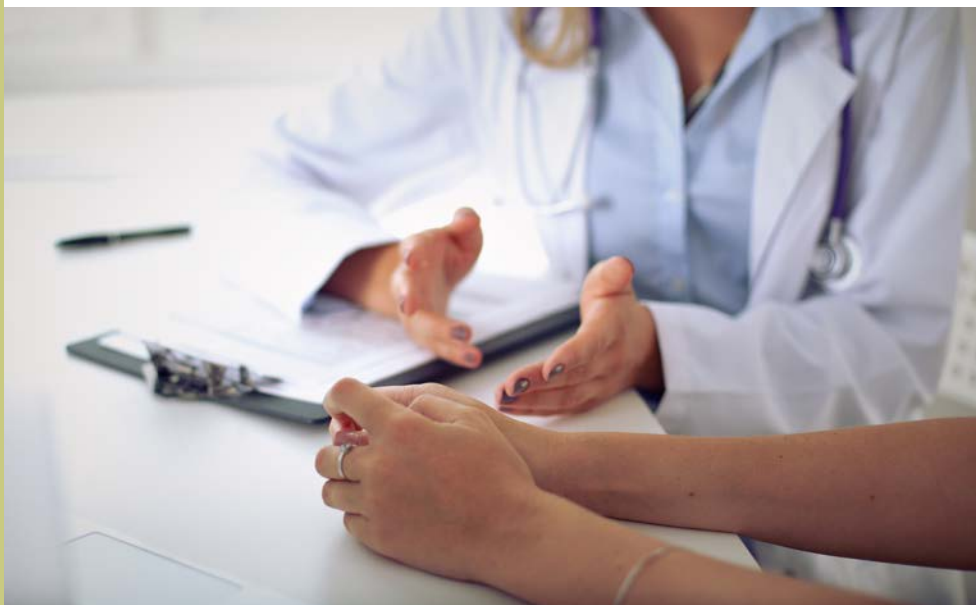


Providing Relief, Promoting Recovery

Oak Hill's ESG Committee sought to immediately address the public health and economic impacts from the COVID-19 pandemic, setting up, among other things, a COVID-19 Rapid Response Team. We quickly launched two live webinar training sessions for all our portfolio companies on COVID-19 issues and established an employee assistance platform. In the same spirit, our companies adapted to disruptions, maintained operations, safeguarded their people and assets, and continued to deliver on their commitments to customers.

Optimizing Employee Benefits During a Pandemic «

Employment interruptions due to the COVID-19 pandemic carry important implications for the management of employee benefits. In a webinar developed exclusively for Oak Hill, nationally recognized health care leader Craig Hasday of Galway Insurance Holdings briefed portfolio companies on employee benefits that could be utilized and activated to help employees during the COVID-19 pandemic.



Addressing the CARES Act «

The Coronavirus Aid, Relief, and Economic Security (CARES) Act presented great opportunities but was complex and difficult to use. Tax credits alone were challenging and time-consuming to assess and implement. Understanding this, Oak Hill assembled a CARES Act SWAT team of leading experts to help company management teams. Oak Hill professionals were joined by corporate and tax professionals from the law firm of Paul, Weiss, Rifkind, Wharton & Garrison LLP, public affairs professionals with Hogan Lovells, and tax specialists from KPMG. At a special Oak Hill webinar, this credentialed team addressed the details of the CARES Act and engaged with portfolio companies afterward as needed.

Capitalizing on these types of opportunities has helped portfolio companies provide solutions to the pandemic-related problems while also protecting existing jobs and/or creating new ones.

Caring for Employees During a Crisis

Knowing that the COVID-19 crisis has left some portfolio company employees with health and financial challenges, Oak Hill helped many of our portfolio companies create Employee Assistance Funds (EAFs). These funds serve as vehicles for helping portfolio company employees and their families cope during times of emergency economic hardship. Through an EAF, employers provide funds to employees on a tax-advantaged basis, and employees receive non-taxable income. EAFs also provide a vehicle for higher-paid employees, including board members, to contribute to their coworkers in need.

“The Employee Assistance Funds enabled by Oak Hill are assisting employees now during COVID-19 and will be a long-lasting tool for other disasters and times of distress.”

*James E. Starr
President and CEO
America's Charities*



Expert, Independent Fund Administration «

The Oak Hill ESG Committee provided a program template, standard contract language, and materials for how to communicate to employees regarding the funds. Oak Hill engaged America's Charities to serve as the administrator of these funds. The Firm also covered the fund setup fee and matched the first \$20,000 of donations for participating companies. To ensure confidentiality and impartiality, America's Charities provides ongoing fund management for participating companies, including review of and decisions on all applications.

Six Oak Hill portfolio companies now have Employee Assistance Funds and have distributed funds to over 600 employees during 2020. Importantly, these funds will outlast the COVID-19 pandemic and will be able to serve companies and their employees in other qualified disasters that result in financial hardship.

Charter Next Generation: Protecting Health Care Workers

Specialty film producer Charter Next Generation (CNG) demonstrated its resilience and responsiveness as it rapidly adjusted production capabilities at various facilities to meet the critical need for medical gowns for health care workers.

Prioritizing Pandemic Needs ‹‹

Charter Next Generation adapted production at its Bloomer, Wisconsin, plant to produce polypropylene film that Kenosha-based Jockey International turns into Tier-3 isolation gowns it donates to health care workers. Jockey has had so much success with the gown that CNG scaled a pilot run into full production. Charter Next Generation's Milton, Wisconsin, facility daily prioritized production to deliver films needed to fight the coronavirus.

While the pandemic has caused business in some sectors to decline, it has brought the company new customers. The company is now also making material for face shields, disposable flooring for temporary medical facilities, plastic partitions in stores, and COVID-19 testing kit packaging components.

“The COVID-19 pandemic really challenged us to consider our purpose, as a company and as leaders. This is just one of the many stories about how our employees showed up for each other and communities around the world to make a positive impact on society.”



*Kathy Bolhous
Chief Executive Officer
Charter Next Generation*



Charter Next Generation contributed \$100,000 to food banks serving residents near its headquarters in Milton, Wisconsin.

CCC Information Services: Funding Relief for Collision Repair Workers



CCC Information Services Inc. (CCC) donated \$100,000 to the Collision Industry Foundation COVID-19 Fund to provide financial assistance to collision repair professionals affected by the pandemic. This contribution from CCC, a provider of cloud, mobile, telematics, hyperscale technologies, and apps for the automotive, insurance, and collision repair industries, matched the initial \$100,000 funded by the foundation and immediately doubled help available to applicants. By the end of 2020, the industry fund had provided \$276,500 to over 500 collision repair professionals.

Digital Connection Tools «

CCC's digital Engage® photo estimating and online repair scheduling tools work together to help repair shops connect with customers. Shops can then use CCC's electronic parts ordering solution.

The company launched a Small Business Relief information webpage and digital tools to help collision technicians adhere to social distancing guidelines in the workplace.

In addition to these resources, CCC joined with other technology companies to support #OpenWeStand. This movement offers resources, inspiration, and connection for small businesses and entrepreneurs to develop creative solutions for staying open during the COVID-19 pandemic.



Berlin Packaging: Assembling 6.7+ Million COVID-19 Test Kits



When a customer asked if Berlin Packaging could package and ship COVID-19 test kits, the global packaging supplier immediately responded to the need. This became a company priority. Berlin has experience in assembling packaging for products such as laboratory supplies and hazardous materials and supports more than 40,000 customers around the globe.



Berlin created staging space in its 300,000-square-foot warehouse near Pittsburgh International Airport and assembled a temporary workforce to help with the test kits project. While most of the kits were provided to Pittsburgh-area schools and hospitals, many were shipped nationally.

Customer Service Commitment «

Despite the challenges of the past year, Berlin maintained its commitment to swift, efficient, and gracious customer service. One of its strategic partners, a leading diagnostic health care manufacturer, called it simply “amazing.”

“Through this process, the Berlin team was very supportive, communicative, and fast-moving to meet our needs,” the client stated. “Meanwhile, the legacy products that Berlin provides have not missed a step. We’re fortunate to have a reliable supplier partner in Berlin Packaging.”

Between March and December of 2020, 36 Berlin employees helped package more than 6.7 million COVID-19 test kits, hand assembling as many as 200,000 kits per week.

Loss Inspires Giving for the Living



Over many years, Oak Hill presented at our annual meeting a series of multimedia history lectures, including live music by Broadway performers. Many of these works were a tribute to those who faced challenges for the good of mankind, including the astronauts of Apollo 11.

Assisting Impacted Performers <<

The COVID-19 pandemic closed off the opportunity to present the next installment of these productions, and, more tragically, it took the life of one of the stars in our productions, Broadway actor Nick Cordero. Nick performed in the very first Oak Hill production called “Eyes of the World” in 2015. It told the story of D-Day. He became over the years a part of the Oak Hill family along with other performers who worked with us on these productions. In his memory, the Firm is assisting entertainers impacted by the pandemic.

“Eyes of the World” went on to take on a life of its own and was scheduled to open at Carnegie Hall last June when the COVID-19 health crisis shut down all theater productions in New York City. About the same time, Cordero fell ill with COVID-19 and after losing his leg to this illness, he died on July 5 at the age of 41.

Broadway actor Nick Cordero, who starred in several Oak Hill annual meeting productions, contracted COVID-19 and died in 2020.

We supported our General Counsel John Monsky in creating a tribute video that features excerpts of Cordero performing in the original Oak Hill production. Nick played an American soldier on D-Day, depicting an ordinary American doing an extraordinary thing.

Our video was designed to inspire ordinary Americans to do an extraordinary thing now: support The Actors Fund, an emergency assistance program that has provided food, medicine, and other necessities to nearly 15,000 out-of-work performers. As noted in this report, Oak Hill also helped establish and contributed to six employee assistance funds for our portfolio company employees.



Photo: Eric N. Duran

Building a More Diverse and Inclusive Firm

Oak Hill seeks to build a more diverse and inclusive workforce not for the sake of diversity alone or reporting numbers. Diversity is a critical business issue that will position the Firm for long-term financial success.

Research shows that diverse teams make better investment decisions, draw from a broader network of business professionals, and are more in tune with what makes a good investment in an increasingly diverse and multicultural world. In addition, many portfolio company management teams consider the diversity of a firm in the evaluation phase of a potential partnership.

Expanding Our Horizons «

In 2020 we put together a draft of our first Diversity & Inclusion plan. It will develop and grow over time. In seeking to achieve diversity among new employees, advisors, service providers, and management teams/partners, **it is not about the “fit.” It is about the “match.”** We are not looking for people that fit in with Oak Hill as it is—we cannot innovate if we stagnate—we are looking for people that expand our horizons and add to the overall strength of the Firm. This is why we want diversity.

In seeking Inclusion, the Firm wants an environment where everyone is empowered to share diverse viewpoints, experiences, feedback, and input. That will make our Firm a better and more informed investor. To fully benefit from these additional perspectives and to retain the diverse professionals that we hire, we must continue to focus on fostering an inclusive culture.

► Our Diversity & Inclusion Plan

- 1 | Increase diversity within Oak Hill
- 2 | Increase diversity within Oak Hill portfolio companies
- 3 | Expand and diversify the Oak Hill network
- 4 | Mitigate unconscious bias
- 5 | Measure progress

Opening Doors of Opportunity

Events during 2020 focused national attention on the need for greater racial equity and social justice. Oak Hill is committed to working within our spheres of influence to advance equitable treatment for all people. This begins by ensuring an inclusive and diverse workplace within our own Firm. It extends to opening doors of opportunity for talented individuals from underrepresented communities by introducing them to the broader private equity and asset management sectors.

Supporting Young Entrepreneurs <<



In 2020, we continued our relationship with BUILD, a nonprofit working to advance equal treatment for all people. Since 2013, we have supported BUILD's mission of using entrepreneurship to increase high school graduation rates and

promote college readiness among underserved high school students.

In 2020, Oak Hill professionals from our New York City office served as BUILD Venture Capital Advisors. These investment professionals provided business advice to BUILD's student teams and helped students develop proficiency in six critical competencies, including collaboration, innovation, and problem-solving.

In addition to working directly with young people, our Firm and professionals contribute seed capital for beta testing of each team's business plan. We see the value of this program in advancing social equity and will continue to engage in 2021.



Welcoming Girls Who Invest «



As part of our commitment to improve gender diversity at Oak Hill and within our industry, we hosted two scholars from Girls Who Invest (GWI) for the second year in a row. Through our partnership with this nonprofit, we provide training and real-world experience in front-line investing to inspire and equip young women to pursue careers in investment management—a field challenged by a lack of gender diversity. Our GWI initiative is led by a cross-functional team composed of professionals of all levels of seniority at Oak Hill.



Through their integration with an investment team, GWI interns gain a better understanding of the private equity industry as well as Oak Hill's distinctive culture and approach to responsible investing. Interns measure their progress against a core competency checklist of key learnings and prepare a capstone project and presentation. GWI participants, as well as our other interns, also receive ESG-focused training on key ESG issues facing the private equity sector and how Oak Hill and our portfolio companies manage these issues.

Checkers: A More Diverse Leadership Team

Recent events in the U.S. have drawn attention to systemic issues of racial inequality, spurring people globally to rally for racial justice. Oak Hill has a role to play, in part by achieving racial diversity in the leadership and management of our portfolio companies.

We took steps to advance both business results and social justice by increasing diverse leadership in our portfolio company Checkers Drive-In Restaurants, Inc., the parent company of Checkers and Rally's drive-thru restaurants. Two-thirds of Checkers' franchises are owned by individuals from diverse backgrounds, and their customer base is also diverse. In 2020, the company made three key appointments that increased diversity at the leadership level at Checkers: a new CEO and two new board members.

“The fast casual industry and Checkers both serve a diverse customer base. I’m thrilled to have a board of directors that represents and honors diverse perspectives as a core part of our business strategy.”



*Frances Allen
Chief Executive Officer
Checkers and Rally's*

Deep Industry Experience <<

Restaurant industry veteran Frances Allen joined Checkers as CEO and as a member of its board of directors. Frances is former CEO of Boston Market and has held positions with Jack in the Box, Denny's, and Dunkin' USA, among others. She brings a wealth of experience and demonstrated ability to develop and inspire teams.

Neil Phillips, a nationally recognized thought leader on Black male achievement and minority education, also joined the board of directors. Neil is co-founder and CEO of Visible Men Academy and founder of Visible Men Impact Network, roles in which he served as an educator, entrepreneur, coach, and youth advocate.

Finally, former Jack in the Box chairman and CEO Lenny Comma joined the board. Lenny brings proven leadership, operational insights, marketing savvy, and sales expertise to guide the organization.

The Value of Differing Perspectives <<

With these appointments, 44% of Checkers directors are from backgrounds traditionally underrepresented on corporate boards. These talented individuals better reflect the entire organization, and their varied experience gives them valuable perspectives into the many communities Checkers serves. We expect their insights to result in more meaningful, strategic decisions that will drive business results.

Checkers Drive-In Restaurants, Inc. is one of the leading U.S. chains of double drive-thru restaurants. The company operates Checkers and Rally's restaurants in 28 states and the District of Columbia.

Race Communications: Affordable Access to Essential Infrastructure

Race Communications' core mission—to provide accessible and affordable broadband access—has an added urgency in the wake of COVID-19.

Generating Economic Development <<

Led by Co-founder and CEO Raul Alcaraz, a native Californian, Race has built and operates fiber networks serving cities and towns surrounding the Bay Area, Sacramento, the Sierras, the Central Valley, Los Angeles, and San Diego. In partnership with the California Public Utilities Commission and nonprofit community advocacy groups, Race creates a positive impact on the communities it serves by bringing enhanced connectivity and greater opportunities for economic development.

The company reaches many unserved and underserved areas where fiber is an important generator of economic development as well as a critical component for government services. Research indicates that broadband access and adoption leads to economic growth, higher incomes, and lower unemployment as well as social outcomes including improved health, access to education, and social cohesion.*

As a long-time investor in broad-band businesses, Oak Hill is well positioned to advise and support Race as it seeks to grow its impact. Our investment will help Race bring state-of-the-art, high-speed fiber-to-the-home networks to additional communities in California and the western U.S.

* Digital Prosperity: How Broadband Can Deliver Health and Equity to All Communities, February 2020, Metropolitan Policy Program at The Brookings Institution.

“The COVID-19 pandemic has made it even more clear that internet access is vital to economic growth, public health, and the education of our children. I am excited to partner with Oak Hill to bring even more high-quality fiber optic services to more Californians of all backgrounds.”




*Raul Alcaraz
Co-founder and CEO
Race Communications*

Race Communications is a telecommunications and technology company that offers a full range of communications services and competes in over 25 markets. In partnership with public and private entities, the operator focuses on building top-tier networks that service 25,000 homes, small businesses, and Fortune 500 companies.

Our Responsible Investment Policy

Oak Hill's approach to incorporating ESG considerations into our investment management processes and ownership practices is set forth in our Responsible Investment Policy. Our policy reflects a range of international ESG guidance documents, including the Principles for Responsible Investment, the United Nations Global Compact, the American Investment Council Guidelines for Responsible Investment, and Environmental Defense Fund's ESG Management Tool for private equity. Oak Hill will, in accordance with our fiduciary responsibility to our stakeholders:

- 1** Identify ESG issues throughout our due diligence process related to potential investments.
- 2** Refuse to invest in any business that willfully exploits underserved or underprivileged communities and/or creates significant damage to society. This includes, but is not limited to, guns, ammunition, payday lending, or gambling.
- 3** Seek to grow and improve portfolio companies while benefiting multiple stakeholders. To that end, Oak Hill will work with portfolio companies on environmental, health, safety, and social issues with the goal of improving performance and minimizing adverse impacts.
- 4** Develop and maintain the resources to achieve implementation of the Firm's ESG initiatives, including: an ESG Committee, ESG Officer, and working with our strategic ESG partners, BSR and EDF.
- 5** Make ESG integration an ongoing endeavor. The ESG Committee will meet to review the Firm's efforts semiannually.
- 6** Adhere to the highest standards of conduct to avoid even the appearance of negligent, unfair, or improper practices. This includes proactively complying with applicable national, state, and local labor laws in the countries in which we invest; 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 or not to join a union and engage in collective bargaining.

- 
- 7 Respect the human rights of those affected by our investment activities and seek to confirm that our investments do not support companies that utilize child or forced labor or maintain discriminatory policies.
 - 8 Ensure all Oak Hill employees are aware of the Firm's culture of social responsibility dating back to its inception and encourage them to strengthen that culture. Provide ESG training for relevant Firm employees. Encourage all Firm professionals to engage in nonprofit giving and socially responsible volunteer activities.
 - 9 Encourage dialogue with our Limited Partners and other stakeholders regarding how we can manage ESG issues in a way that is consistent with their initiatives. Work with our Limited Partners to foster transparency in all aspects of the Firm's activities, including our ESG performance.
 - 10 Distribute this policy and related ESG information to all appropriate employees of our portfolio companies.

Our Approach to ESG Management and Governance

A robust governance structure guides our ESG approach, providing clear lines of responsibility, accountability, and transparency so that the entire Firm functions as one team. Our cross-functional ESG Committee and dedicated ESG Officer integrate ESG management across the Firm's activities with the support of our investment professionals and Operating Network.

Oak Hill ESG Committee <<



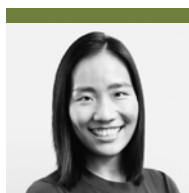
**Committee Chair
John Monsky**
Partner and
General Counsel



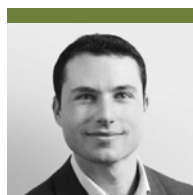
Brian Cherry
Managing Partner



John Rachwalski
Partner



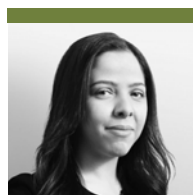
Jennifer Jun
Principal



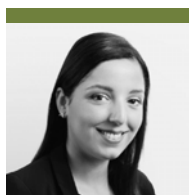
Jake Shulman
Vice President,
Investor Relations



Jeffrey Butler
Vice President



Heclliam Bennett
Senior Human
Resources
Generalist



Evelyn Buse
Compliance
Associate

ESG Committee: Developing and Implementing the Firm's ESG Strategy <<

Oak Hill's ESG Committee develops and implements the Firm's ESG strategy. The committee seeks to reduce risks and increase opportunities related to environmental, social, and governance issues across the Firm and within our portfolio companies.

The committee includes Managing Partner Brian Cherry and Partners John Monsky and John Rachwalski as well as professionals across investment, investor relations, and legal functions.

ESG Committee Chair John Monsky also serves as General Counsel of the Firm, a role that is uniquely suited for ESG integration since John is heavily involved in every potential acquisition.

ESG Officer: Leading Due Diligence and Portfolio Company Initiatives «

Along with John Monsky, Oak Hill's ESG Officer Lee Coker works across investment teams to analyze ESG issues in potential investments and with portfolio companies on ESG initiatives.

Before working with the Firm, Lee managed the Environmental Defense Fund (EDF) Green Returns initiative. At EDF, he worked with several private equity firms, including KKR and the Carlyle Group, to identify opportunities for reducing environmental impacts and building more-valuable, competitive companies.

Investment Teams: Embedding an ESG Perspective «

To promote better decision-making throughout all phases of the Firm's investment process, we inform our investment teams on current and emerging ESG issues through quarterly briefings.

These briefings are tailored to the Firm's four core sectors of investment and address ESG issues. Oak Hill's ESG Committee Chair and ESG Officer augment these briefings with updates on relevant ESG topics during our weekly Firm-wide meetings.

Oak Hill Operating Network: Providing Deep Strategic Expertise «

The Oak Hill Operating Network of senior business executives provides expertise throughout all phases of the investment process, including the creation, development, and monitoring of ESG initiatives. Following our investment in a company, Senior Advisors typically serve as highly engaged board members, ensuring that each company has best-in-class corporate governance practices.



ESG Experts Inform Our Approach

Our deep relationships with leading global sustainability and ESG organizations make us stronger in times of calm and crisis. We call on their expertise as we inform and engage our investment professionals and remain current on best practices.

BSR: 100 Professionals Providing ESG Support «



The Firm works with BSR, a leading nonprofit sustainability consulting and research organization, for additional insights on relevant potential transactions.

With more than 100 sustainability professionals in eight offices around the world, BSR has subject matter experts who help us consider ESG risks and opportunities across a target company's entire business. We also leverage their network to advise our portfolio company management teams on ESG issues.

Environmental Defense Fund: Helping with Market-Based Solutions «



For the past decade, Oak Hill and EDF have teamed up to implement market-based solutions to environmental problems.

For example, as a founding supporter of the nonprofit Emergent Forest Finance Accelerator, our Firm is working with EDF to catalyze tropical forest protection. Within Oak Hill, our portfolio company Berlin Packaging hosted an EDF Climate Corps fellow during 2020, the fifth such engagement in our portfolio. Through this innovative fellowship program, portfolio companies gain a competitive edge while helping to cultivate the next generation of sustainability leaders.

Ceres: Taking Action on Climate Change «



As part of the Ceres Investor Network on Climate Risk and Sustainability, Oak Hill joins with influential investors and companies to drive solutions to the world's biggest sustainability challenges.

We participate in investor working groups and collaborate on ESG issues, particularly around climate change. We support Ceres as it seeks to transform the economy and build a sustainable future for people and the planet.

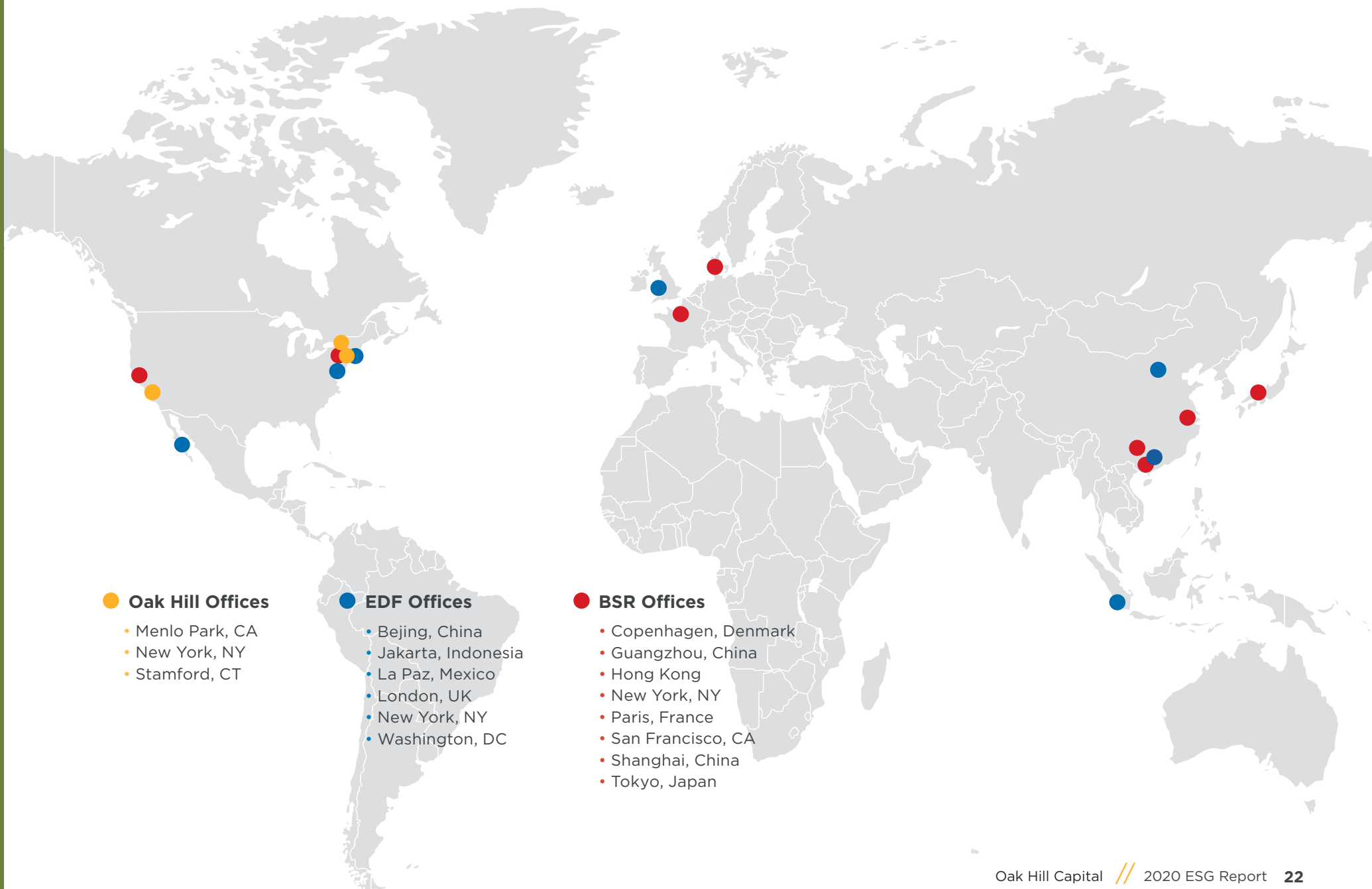
PRI: Building a More Sustainable Financial System «

Signatory of:



As a signatory of the Principles for Responsible Investment (PRI), Oak Hill publicly demonstrates our commitment to build a more sustainable financial system. In 2014, Oak Hill was one of the first middle-market private equity firms in North America to become a PRI Signatory. Since 2014, we have participated in the PRI's annual reporting, which measures a firm's adherence to ESG-related issues such as strategy and governance, investment processes, and ESG policies and processes.

Oak Hill Global ESG Network «



Integrating ESG Considerations During the Due Diligence Process

Over the past eight years, we have formally integrated ESG analysis into each step of our due diligence process. We work across investment teams to ensure that every potential investment presented to our Investment Committee includes a detailed analysis of potential ESG risks and opportunities. We not only look at the company's ESG impact but also examine the macro-level ESG issues within the broader industry.

► PHASE 1

The Firm considers whether the deal team should explore the opportunity. Deal teams brief members of the ESG Committee on the potential investment, and an initial ESG screen is conducted around the fundamental premise of the business. This could result in the termination of any further diligence if the company's business model conflicts with the Firm's Responsible Investment Policy.

► PHASE 2

The Firm reviews the investment to determine whether it merits full scale due diligence and incurring significant diligence-related costs. Oak Hill considers the key ESG risk and opportunities through a preliminary ESG assessment. We set forth a road map for further diligence.

► PHASE 3

Oak Hill obtains answers to specific ESG-related questions through meetings with the company's management team, review of company data, and discussions with external advisors. Presentations to the Investment Committee include necessary information related to any ESG concerns raised during Phase 2. The company's ESG data are compared against Oak Hill's Responsible Investment Policy.

► PHASE 4

As needed, Oak Hill's Investment Committee discusses material ESG issues in the final diligence meeting with the company's management team.

If the company has material environmental and/or social impacts, then Oak Hill's investment professionals and ESG Officer coordinate a plan for engagement and monitoring.



Our ESG Due Diligence Team

Since the Firm's inception, we have considered our potential investments with an eye toward ESG issues and have walked away from investments that did not fit our criteria for responsibility.

To truly integrate the full spectrum of ESG issues throughout our due diligence process requires long-term partnerships with industry-leading experts. We involve the following experts in almost every transaction that the Firm reviews.

Environmental, Social, and Governance Issues <<

Lee Coker, Oak Hill's ESG Officer, reviews each potential investment to ensure the company complies with the Firm's Responsible Investment Policy and analyzes emerging ESG risks and opportunities. He reviews issues such as:

- Risks and opportunities resulting from climate change
- Sustainable business practices (e.g., clean energy sourcing and waste reduction)
- Employee engagement
- Diversity and inclusion practices
- Corporate governance



Dedicated experts provide targeted intelligence to help us make informed decisions about the ESG issues of every potential investment.

Risk Management «

As Oak Hill's Operational Risk Consultant for 16 years, Matt Folk reviews all potential investments to ensure that they are adequately covered for incidents that could result in negative ESG impacts. Insurance is a critical risk management tool for protection against issues, including:

- Environmental contamination
- Third-party cyberattacks
- Product liability
- Product recall
- Employee injuries

Pensions, Benefits, and Health Care «

Leslie Nielson, a Managing Director at Alvarez & Marsal, and her team of dedicated M&A consultants conduct financial reviews of any qualified or supplemental pensions, including the potential impact of these obligations on enterprise value, prior to purchasing any company. She also supports pre-acquisition due diligence regarding:

- Global employee benefits
- Remuneration plans
- Human resources operations

Human Resources «

Gerald ("Jerry") Hathaway, a Partner at Faegre Drinker Biddle & Reath LLP, has more than 37 years of experience assessing compliance with human resources laws. Jerry evaluates portfolio company human resources management, including policies, processes, and expertise related to hiring, onboarding, and training new employees. He also analyzes company policies and processes for proper systems related to:

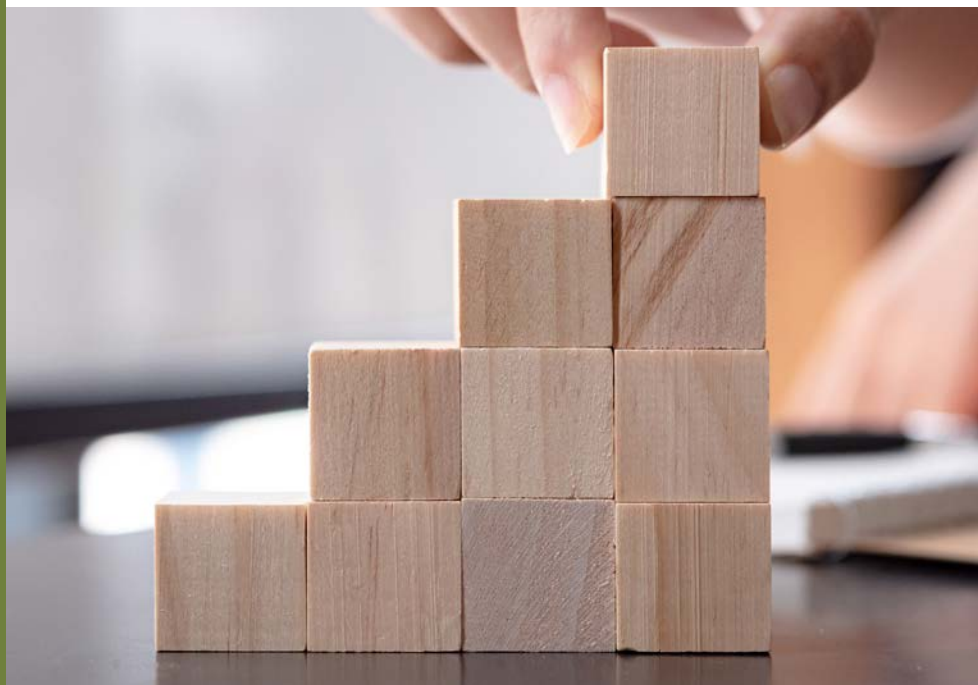
- Employee classification
- Equal pay law compliance
- All forms of discrimination
- Workplace conduct training

Building Stronger Businesses

During ownership, we work together with individual portfolio companies as well as across the portfolio to further integrate ESG management into their core business activities. We believe that managing ESG issues and supporting portfolio companies strengthens their ongoing performance and better prepares them to deal with crises of all types.

Oak Hill ESG Webinar Series «

We have a history of providing professional development opportunities, including an annual ESG webinar series designed to build our portfolio companies' ability to manage risks, weather adverse conditions, and benefit from positive market environments.



During 2020, operational leaders from across the Oak Hill portfolio participated in three webinar presentations featuring leading experts, including two sessions on pandemic-related issues. Oak Hill moderated and guided the discussions with industry experts and ensured that we were able to properly leverage the diverse set of skills, knowledge, and experience of each participant. Through these sessions, portfolio company team members also learned more about Oak Hill's ESG program and identified ways to work with us to create value.

We also regularly conduct webinars to help our companies on compliance issues, as described on page 32.

Avoiding Antitrust Pitfalls «

Led by Oak Hill's General Counsel and partners from the law firm Paul, Weiss, this webinar outlined the special care that must be taken to comply with antitrust laws throughout premerger negotiations and the due diligence process. Speakers explained practices for complying with federal filing requirements set forth under the Hart-Scott-Rodino Antitrust Improvements Act.

The Power of ESG in Our Portfolio

The COVID-19 pandemic and resulting economic dislocation presented significant challenges to our portfolio companies and their employees. We came alongside company management and supported them with our ESG expertise, financial resources, and best-in-class corporate governance practices. The following case studies demonstrate our ESG approach, which seeks to strengthen our portfolio companies while addressing social needs.

Galway Insurance Holdings: Aligning Interests Through Employee Ownership

One of Oak Hill's core tenets is properly aligning interests. At Galway Insurance Holdings ("Galway"), we prioritized and deepened the large number of employees who owned equity in the business.

Galway is one of several portfolio companies for which Oak Hill has worked to structure equity ownership for employees beyond the top management team. In fact, our ESG Committee has collaborated with legal professionals from Paul, Weiss to develop strategies for increasing financial alignment between Oak Hill and a broader set of employees at portfolio companies.

Today nearly 600 employees, approximately 19% of the workforce, are shareholders in Galway.

Our experience providing equity incentives beyond top management has proven the benefits to all stakeholders of giving workers a stake in the financial future of the company.

Galway Insurance Holdings is a top 15 insurance brokerage and consulting firm with more than 3,100 employees and over 500 producers. Galway provides property and casualty/employee benefits insurance distribution as well as specialty wholesale and retail distribution.

Charter Next Generation: Turning the Tide on Plastic Waste

A strong domestic market for recycled plastic can help stem the rising tide of ocean pollution. In 2020, specialty film producer Charter Next Generation (CNG) took another step toward boosting recycling of postconsumer resin by joining the Association of Plastic Recyclers and its Demand Champions program. This program aims to expand the market for recycling and reusing mixed residential plastics, including plastic water bottles. By increasing the demand for used PET bottles and other plastics, the program will help prevent ocean plastic pollution and boost a circular economy for plastic packaging.

As a member of the Demand Champion program, Charter Next Generation pledges to help improve the quality and increase the use of products made from postconsumer resin.

Renewable Resources, Recyclable Products «

Sustainability and sustainable manufacturing are core to Charter Next Generation's mission. The company partners with customers to develop flexible packaging platforms that are recyclable, increase the usage of recycled content, and/or incorporate renewable resources through its award-winning platform of GreenArrow™ sustainable films. In 2019, Charter Next Generation was awarded a silver medal and ranked in the top 11% of companies evaluated through EcoVadis, a platform used to evaluate supplier sustainability performance. The company also joined the Alliance to End Plastic Waste, a global alliance of more than 40 companies investing over \$1.5 billion in infrastructure, technology, education, and cleanup efforts.



In 2020, Charter Next Generation increased the number of its facilities that are zero waste to landfill to three and launched several compelling recyclable film technologies.

Charter Next Generation (CNG) is a leading North American producer of high-quality, engineered blown and cast films for the food, flexible packaging, health care, consumer, and industrial goods markets. With 12 facilities and over 1,500 employees, Charter Next Generation is the combination of two former leaders in the specialty films industry, Charter NEX Films based in Milton, WI, and Lexington, OH-based Next Generation Films. The companies merged in 2019 and launched under one name in November 2020.

Berlin Packaging: A Deepening Commitment to Sustainability

As part of its three-pronged mission to increase its customers' sales, lower its customers' costs and improve its customers' efficiencies, Berlin Packaging has been offering customers sustainable packaging options for years.

In 2020, Oak Hill worked with Berlin to accelerate its sustainability journey and better meet the increasing demand for sustainable packaging solutions. A cross-functional team collaborated to assess the company's current sustainability efforts and to develop a more comprehensive sustainability strategy. The team was joined by a fellow from Environmental Defense Fund's Climate Corps. In this innovative internship program, trained graduate students partner with host companies to advance sustainability enhancement programs. As a testament to the program's success, the company committed to hiring a full-time leader dedicated to furthering its sustainability workstreams.



Life Cycle Analysis <<

Berlin created a life cycle analysis task force to benchmark the fossil fuel consumption, water use, and greenhouse gas emissions associated with thousands of its products. The team then modeled the impacts of various change scenarios, such as material conversions, pallet and transportation optimization, and the use of both renewable and postconsumer materials. These findings will be used to inform Berlin customers of the environmental impact of various packaging choices.

For example, Berlin customer Wholesome Sweeteners, Inc. transitioned its Organic Blue Agave line (shown at left) to custom-designed bottles that contain up to 30% plant-based PET plastic and are fully recyclable and PBA-free.

Creating a Road Map <<

Drawing on these insights, the project team created a comprehensive sustainability road map. The plan includes a sustainability-focused procurement and sales strategy, and a method for operations and facilities sustainability audits. These findings also helped Berlin affirm the value of sustainability to its customers and laid the foundation for a credible corporate sustainability framework and ongoing ESG reporting.

Berlin Packaging is one of the world's largest hybrid packaging suppliers, with 30 sales offices and more than 75 dedicated or third-party warehouse locations across the U.S. and Canada. Through its European operations with Bruni Glass and Bruni Erben, Berlin Packaging also has sales and warehouse locations in Italy, France, Spain, England, and South Africa.

Mobilizing the Private Sector to Protect Forests

Protecting tropical forests plays an essential role in combating climate change and achieving the carbon reduction goals of the Paris Agreement. And yet, these irreplaceable natural resources are being lost at alarming rates. Oak Hill is working to protect and preserve these forests through a market-based solution developed by the Emergent Forest Finance Accelerator. This innovative effort is mobilizing capital to reduce global deforestation and preserve biodiversity.

Controlling deforestation could also decrease the risk of future pandemics, as research indicates the link between habitat loss, species extinction, and the rise of potentially dangerous pathogens.



» 2018 «

Oak Hill became one of the founding partners and supporters of Emergent Forest Finance Accelerator. We contributed resources, connections, and intellectual capital.

» 2019 «

Oak Hill continued its support of Emergent, which formally launched its efforts to catalyze and drive capital into tropical forest protection and restoration globally.

» 2020 «

Emergent built out its team and assembled a roundtable of over 30 interested companies while working with its partners to build a portfolio of forest countries to generate credits. Oak Hill introduced Emergent to other investment firms that are interested in participating in this market-based solution.

» 2021 «

Emergent will continue to coalesce demand and supply. It aims to sign purchase agreements with several companies and forest countries by midyear and transact its first set of credits by the end of 2021.



We're helping to mobilize capital into forest protection at scale.

How It Works <<



The nonprofit Emergent provides the private sector with access to exceptional volumes of high-quality carbon credits that—for the first time—are based on forest protection programs at the national level.

This creates the opportunity for real transformational change on a massive scale. We believe that Emergent represents a breakthrough in tropical forest protection because it provides credits based on national-level programs.

Emergent makes it easier for buyers and sellers to transact large volumes of credits to meet their carbon reduction and forest protection goals.

Emergent sells only high-quality credits that are certified by the Architecture for REDD+ Transaction (ART). Certified credits demonstrate environmental and social integrity, and they reflect the true value and cost of protecting forests. In addition to Oak Hill, Emergent is backed by other leading organizations in the climate community: The Rockefeller Foundation, the Norwegian International Climate and Forest Initiative, Environmental Defense Fund, and Good Energies.



Measuring Our Progress on Responsible Investment

We respond to investors' rising expectations for consistent, comparable ESG performance data by using the PRI reporting framework to share our progress on integrating ESG issues into our investment process. We annually map the progress of our ESG activities against the PRI framework and use the results to identify target areas for growth.

Principle 1

Incorporate ESG Issues into Investment Analysis

- Since 2014, **100% of potential fund investments** presented to the Firm's Investment Committee have undergone ESG analysis through the Firm's due diligence process. We use industry-specific ESG standards in our research. Finally, we partner with EDF, BSR, and Ceres to stay informed of emerging macro and industry-specific ESG issues to include in our analysis.
- In the past four years, we have directly engaged with BSR on **9 potential transactions** for deeper dives on specific ESG issues that we have uncovered at potential investments. BSR's staff of more than 100 global sustainability experts help us understand the materiality and potential impact of emerging sustainability issues at potential investments.

Principle 2

Incorporate ESG Issues into Ownership Policies and Principles

- Oak Hill's ESG Officer has completed **15 consulting engagements** to improve environmental and/or social performance at our portfolio companies. He has also engaged directly with human resources professionals at 100% of current portfolio companies to reinforce our strong focus on employee engagement, retention, and compliance.
- The Firm has developed and hosted **17 professional development webinars** focused on ESG issues for portfolio companies since 2014. Topics have included creating a responsible sourcing initiative, mitigating risks from climate change, implementing diversity and inclusion initiatives, and how to build a veterans hiring program.
- The Firm has placed **5 EDF Climate Corps** fellows at portfolio companies. These fellows have identified specific initiatives that can reduce greenhouse gas emissions and energy costs at Oak Hill portfolio companies.



For the second consecutive year, Oak Hill received an A+ in PRI's Assessment Report on both relevant reporting modules: Strategy and Governance, and Direct Private Equity.*

Principle 3

Provide Disclosure on ESG Issues

- ESG initiatives at **100% of Oak Hill's recent investments** have been detailed in Oak Hill's annual ESG reports.
- Investment professionals, Senior Advisors, and/or our ESG Officer **frequently review relevant ESG initiatives** with portfolio company management teams and request company-specific ESG-related data.
- We have completed a **PRI Transparency Report** each year since 2014.

Principle 4

Promote Responsible Investment Principles

- Since 2011, the Firm's professionals have spoken at **13 industry forums** related to ESG issues in private equity, and Oak Hill's ESG program has been featured in **6 trade publications**.
- The Firm's professionals collaborated with PRI and EDF to develop **4 sets of tools and resources** to further ESG integration across the global private equity sector.

Principle 5

Collaborate on Implementation of PRI Principles

- The Firm has been a partner of EDF since 2011, a member of BSR since 2012, a **PRI Signatory** since 2014, and a member of the Ceres Investor Network on Climate Risk and Sustainability since 2017.

Principle 6

Reporting and Transparency

- Oak Hill has publicly released the Firm's **8 annual ESG reports**.

* Principles for Responsible Investment ("PRI") is not considered an official rating agency, and their Assessment Report is one measure of Oak Hill's ESG initiatives. For more information on PRI qualifications and reporting metrics, please see unpri.org.

Important Information

This ESG Annual Report (the “Report”) is provided by Oak Hill Capital Management, LLC (together with its affiliates, “Oak Hill Capital” or “Oak Hill”) for informational purposes only and is solely intended to provide an overview of the ESG processes and initiatives of Oak Hill and certain of its portfolio companies; it is not intended to describe the performance of any investment or company. This Report should not be relied upon for any other purpose. This Report does not constitute an offer to sell, or the solicitation of an offer to buy, any security, product, or service, including interests in any investment fund managed by Oak Hill (the “Funds”). References to portfolio companies are intended to illustrate the application of Oak Hill’s ESG priorities only and should not be viewed as a recommendation of any particular security or company. Any information provided in this Report about past investments is provided solely to exemplify various aspects of previously utilized ESG processes and strategies. Any past performance information provided herein is not indicative nor a guarantee of future returns. Not all ESG metrics are applicable to Oak Hill or each company, and methodologies for measuring ESG metrics differ across industries and asset classes. While Oak Hill integrates certain ESG factors into its investment process in accordance with its ESG policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements, there is no guarantee that Oak Hill’s ESG policy will be successful or that it will create a positive ESG impact. In addition, applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Oak Hill, or any judgment exercised by Oak Hill, reflects the beliefs or values of any particular person or industry participant. There are significant differences in interpretations of what positive ESG characteristics mean by region, industry and issue, and these interpretations are rapidly evolving.

The investments described in the selected case studies were not made by any single Fund or other product and do not represent all of the investments purchased or sold by any Fund or other product. It should not be assumed that investments in the securities or companies identified and discussed herein were or will be profitable. The information contained in this Report may not necessarily be complete and may change at any time without notice. Oak Hill does not have any responsibility to update this Report to account for any such changes. Certain information contained herein may be “forward-looking” in nature. Due to various risks and uncertainties, actual events or results of the actual performance of any Fund may differ materially from those reflected or contemplated in such forward-looking information. As such, undue reliance should not be placed on such information, and no individual or entity should rely on such information in connection with buying or selling any securities or making or selling any investment. Forward-looking statements may be identified by the use of terminology including, but not limited to, “may”, “will”, “should”, “expect”, “anticipate”, “target”, “project”, “estimate”, “intend”, “continue”, or “believe”, or the negatives thereof or other variations thereon or comparable terminology.

Oak Hill makes no representation or warranty, express or implied, with respect to the accuracy, reasonableness, or completeness of any of the information contained herein, including without limitation, information obtained from portfolio companies or other third parties. Some of the information contained herein has been prepared and compiled by the applicable portfolio company and has not necessarily been reviewed or independently verified or assured by Oak Hill or any other third party. Oak Hill does not accept any responsibility for the content of such information and does not guarantee the accuracy, adequacy, or completeness of such information.



New York

65 East 55th Street
32nd Floor
New York, NY 10022

Menlo Park

2775 Sand Hill Road
Suite 220
Menlo Park, CA 94025

Stamford

One Stamford Plaza
263 Tresser Boulevard, 15th Floor
Stamford, CT 06901



InvestorRelations@oakhill.com