

Integration at Every Level

A year of ESG engagement
with our portfolio companies

ABOUT THIS REPORT

CONTENTS

Introduction

- 3 About Oak Hill
- 4 To Our Stakeholders

Driving Change

- 6 ESG Guidelines for Portfolio Companies
- 7 Our Approach to Implementation
- 8 Focusing on ESG Issues That Matter
- 9 Creating an Inclusive Culture
- 10 Making Progress Toward a More Diverse Firm
- 11 Bringing More Women Into Asset Management

Expanding Our Impact

- 13 American Veterinary Group
- 15 Trinity Consultants
- 17 Technimark

What Drives Us

- 20 Responsible Investment Policy
- 21 ESG Human Capital
- 23 Partnerships Elevate Our Actions
- 24 Pre-Investment Due Diligence
- 25 Our ESG Due Diligence Team
- 26 Combating Climate Change
- 28 Honoring Forgotten Veterans
- 29 2021 ESG Performance

This is Oak Hill Capital Partners' ninth annual environmental, social, and governance (ESG) report, which describes our approach to ESG integration.

The content is informed by leading global reporting frameworks including the Sustainability Accounting Standards Board (SASB) and the Principles for Responsible Investment (PRI) and focuses on highlights from our ESG program in 2021. All data are as of December 31, 2021, unless otherwise

noted and cover our work with portfolio companies where we have a controlling interest. The program and goals presented herein are aspirational and there can be no guarantee that they will be achieved. See [Important Information](#) for further details.

Contact us at InvestorRelations@oakhill.com

ABOUT OAK HILL

Oak Hill is a longstanding private equity firm focused on the North America middle market. The Firm implements a highly systematic approach to theme development, proactive origination, and value creation in partnership with management to build franchises of lasting value. Since 1986, Oak Hill and our predecessors have raised approximately \$20 billion of initial capital commitments and co-investments, invested in approximately 100 companies, and completed more than 300 add-on acquisitions representing an aggregate enterprise value at acquisition of over \$60 billion.

Thematic Approach

Our Firm applies a specialized, theme-based approach to investing in the following dedicated industry sectors: Industrials, Business Services, Media & Communications, and Consumer.

Engagement

Since our founding by Robert M. Bass 30 years ago, Oak Hill's partners have been engaged in environmental, social, and governance issues. Our Firm's founder and leaders established and continue to cultivate relationships with major universities, civic organizations, and leading nonprofit organizations such as Environmental Defense Fund (EDF) and BSR, which are focused on environmental protection and responsible social programs.

Ethics

We have always valued environmental responsibility; refused to invest in weapons manufacturers, payday lenders, casinos, and other businesses that we believe hurt the economically disadvantaged; and sought to develop and maintain best-in-class corporate governance structures.

Partnership

Our experienced team actively partners with portfolio companies to help them achieve more on ESG issues. Together, we implement strategic and operational initiatives that we believe will create franchise value and address important ESG considerations.

OUR FIRM IN 2021

35 Years
of experience

\$20 Billion
capital and co-investment
commitments

100
Transactions
since 1986

TO OUR STAKEHOLDERS

Since our founding, the people of Oak Hill have aimed to live by our founder Robert Bass’ adage of “doing well by doing good.” The past year marks more than a decade since the creation of Oak Hill’s formal environmental, social, and governance (ESG) program. Our Firm’s first ESG Officer was appointed in 2011, helping drive our review of target company ESG factors in due diligence and in post-closing performance. Our ESG Committee includes employees from all our offices and the active involvement of at least one Managing Partner at all times. Oak Hill has adopted and adheres to a Responsible Investment Policy, is a long-time signatory of the Principles for Responsible Investment (PRI), and is a member of the Ceres Network on Climate Risk and Sustainability. While PRI has not issued Assessment Reports for 2021, Oak Hill received an A+ on both relevant reporting modules in 2020.¹

Establishing ESG Guidelines for Our Portfolio Companies

To integrate ESG at all levels, in 2021 we issued ESG guidelines for our portfolio companies. It is our understanding that this is one of the first such efforts by a middle-market private equity firm² and is part of

our continuing effort to lead the way in ESG programs. These targets, adopted in dialogue with our portfolio companies, ask that each of our controlled portfolio companies implement the following: board reporting on ESG metrics, diversity in board membership, the development of comprehensive ESG policy statements, and a wide range of other ESG-related practices.

Expanding Diversity, Equity, and Inclusion

We believe that intentionally fostering an equitable and inclusive culture that embraces diversity of thought, identity, and experiences is key to building our core asset: human talent. This year we expanded our focus by publishing our first Diversity, Equity, and Inclusion (DEI) Policy. Also, our Managing Partners and DEI Committee have developed and published actionable DEI initiatives.

Expanding Our Impact

This report also features ESG case studies of three portfolio companies that joined our portfolio in 2021: American Veterinary Group, Trinity Consulting and Technimark. We describe how they are implementing business practices to create a better future for all stakeholders.

10 years
since the founding of Oak Hill’s formal environmental, social, and governance (ESG) program.

Strategic Partnerships

To enhance our work, we maintain active partnerships with EDF, a nonprofit environmental advocacy group, and BSR, a leading sustainability consulting and research organization, as strategic partners in due diligence and ongoing ESG work at our portfolio companies. Most recently, Oak Hill became a founding partner of Ownership Works, a new nonprofit with a mission to increase prosperity through shared ownership at work.

We appreciate your continued partnership and welcome comments on both this report and our ESG performance to date.

^{1,2} See [Endnotes](#) on pg. 31.

Driving Change

We believe lasting change results from working in tandem with our portfolio companies. Sometimes we take our cue from them. At other times, we bring our decade of tools, resources, and external experts to help improve ESG performance. This year our collaboration has yielded rewarding outcomes.

2021 MILESTONES

DELIVERED
initial 2022/2023
portfolio company
ESG guidelines

ASSESSED
ESG work to be done
in light of these ESG guidelines

MET WITH
senior leaders at 100%
of portfolio companies to discuss
implementation of these
guidelines

ROLLED OUT AN
ESG resource guide
and implementation tools for
portfolio companies

IMPROVED DIVERSITY
of the Firm with
33% of new hires
from groups underrepresented
in private equity

ESTABLISHED A
DEI Committee,
adopted a DEI Policy, and
signed on to the ILPA Diversity
in Action initiative



ESG GUIDELINES FOR PORTFOLIO COMPANIES

Building on a decade of work with our portfolio companies, Oak Hill is elevating our aspirations for portfolio company ESG performance. In 2021, we established the following ESG guidelines that we believe can drive improved company ESG performance by protecting the environment and natural resources, valuing people, and implementing responsible business practices. This is a dynamic process, and we expect work with each portfolio company on an iterative basis. Along the way, we invite and expect our portfolio companies to innovate in these target areas and share best practices with us. We have presented the following guidelines to our companies.

> Transparency

Board Reporting. Quarterly board reports should include an ESG section and can be customized according to the company's materiality assessment.

ESG Event Reporting. A process should be in place to help ensure that all material ESG issues are reported promptly to their board. Incidents could include sexual harassment, a fatal accident or serious injury of an employee, product contamination, large network outage, or cyberattack.

> Foundational Resources

ESG Officer and/or ESG Committee. Each company should have a professional with responsibility for managing its ESG strategy.

ESG Policy. Each company should develop its own ESG policy tailored to its business.

Innovation. Oak Hill looks to our portfolio companies to innovate and create ESG policies and programs that are right for their business and can help to outperform relative to their peers.

Oversight Committees. Companies should have audit and compensation committees as well as committees, such as worker safety or compliance, appropriate to their business.

Anti-Bribery and FCPA Policies and Training. It is in the best interest of every company to have an anti-bribery policy and a Foreign Corrupt Practices Act (FCPA) policy if it engages in foreign business or activity. It is critical for companies that engage in overseas business to provide FCPA compliance training for sales teams and report this to their board.

> Diversity, Equity, and Inclusion

Board Diversity. Company boards should include at least one person from an underrepresented group and at least one independent director.

DEI Program. Companies should have a diversity, equity, and inclusion program that includes policies and procedures to ensure a diverse and inclusive working environment. These can follow the Institutional Limited Partners Association's diversity, equity, and inclusion framework, among other options.

Discrimination and Harassment Training. Every company should have regular discrimination and harassment training that reaches all members of the organization.

> Employee Responsibility

Employee Complaint Hotline. Each company should have a hotline for employee complaints and provide reports to its board. If relevant, the hotline should be publicly available on the company's website and allow feedback from all stakeholders.

Human Resources Review. Companies are asked to conduct human resources compliance reviews with outside resources at least every two years.

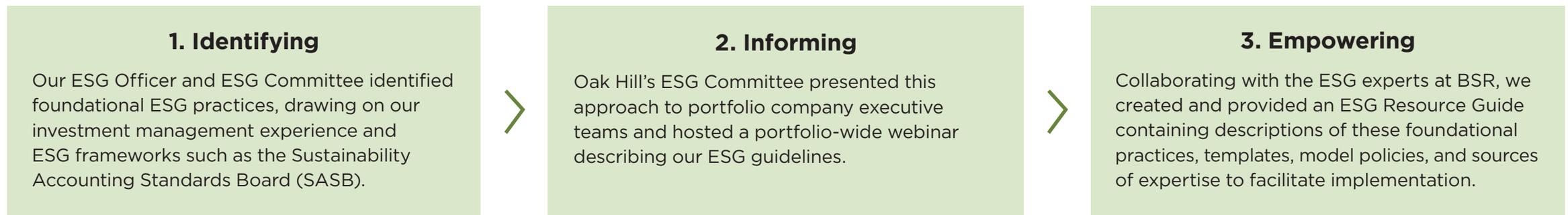
Note: The above ESG guidelines will vary among portfolio companies depending on their business and may not be implemented where Oak Hill lacks a controlling position in the portfolio company. These guidelines will take time to implement at each company, depending on its available resources.

OUR APPROACH TO IMPLEMENTATION

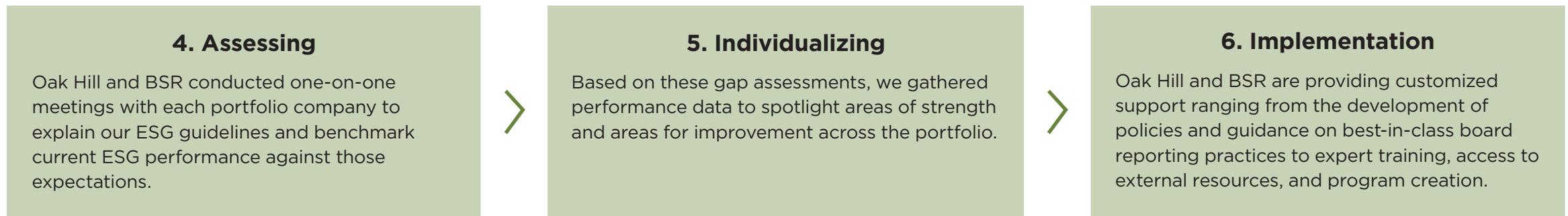
Following the issuance of our guidelines, we undertook a comprehensive, collaborative process with our portfolio companies to ensure that these ESG practices and policies would be implemented. We are also providing bespoke assistance and resources to each company, targeting implementation of baseline ESG guidelines in 2022/2023.

Our assessment showed that many of our companies are already performing well in several ESG areas, specifically discrimination and harassment training (12 out of 13 companies), anti-bribery and FCPA policy and training (10 out of 13), and employee complaint hotlines (9 out of 13). We also identified areas for improvement, as most companies do not have formal ESG policies or board-level oversight of ESG activities.

PORTFOLIO ROLLOUT How are we accomplishing this?



COMPANY SUPPORT Customized metrics provide relevant, decision-useful information



FOCUSING ON ESG ISSUES THAT MATTER

To effectively manage risk and create shared value, we ask our companies to manage, measure, and report on those ESG topics that really matter for their business.

Determining Materiality

Using a materiality assessment process helps our companies identify and prioritize the issues that are of most importance to their customers, employees, and other stakeholders. In 2021, we discussed this process with portfolio company management and made available related tools and templates. Each business will rank a core set of ESG considerations as well as sector-specific ESG issues, guided by the SASB Materiality Map and relevant sector standards. All controlled companies have been asked to complete this process and present the results to their respective boards in 2022/2023.

Portfolio companies have also been asked to report on relevant ESG metrics to their boards on a quarterly basis. Through more active oversight of ESG performance, we believe portfolio company boards can be better prepared to respond to customer and other stakeholder inquiries.

To facilitate adoption and promote consistency of board reporting, we provided all of our majority-controlled portfolio companies a list of potential ESG KPIs across the industries in which we invest as well as a reporting template to provide consistency across our portfolio.

SAMPLE BOARD REPORTING TOPICS

CORE ESG ISSUES	POTENTIAL KPIs
Human Resources	
Safety	<ul style="list-style-type: none"> Total recordable incident rate (TRIR) Fatality rate for direct employees and contractors
Diversity, Equity, and Inclusion	<ul style="list-style-type: none"> Percentage of individuals from groups traditionally underrepresented on corporate boards, management, and all other employees Adoption of policy and training
Employee Engagement	<ul style="list-style-type: none"> Employee Net Promoter Score Rate of voluntary and involuntary turnover Programs designed to promote employee engagement

CORE ESG ISSUES	POTENTIAL KPIs
Environment	
Greenhouse Gas (GHG) Emissions	<ul style="list-style-type: none"> Scope 1 emissions (CO2 lbs.) Scope 2 emissions (CO2 lbs.)
Social	
Data Security	<ul style="list-style-type: none"> Number of data breaches and percentage including personally identifiable information Number of customers affected Description of approach to identifying and addressing data security risks
Governance	
Anti-Bribery and FCPA Policies	<ul style="list-style-type: none"> Percentage of professionals trained in FCPA Adoption of anti-corruption and bribery policy
Business Ethics	<ul style="list-style-type: none"> Description of whistleblower program and policy

CREATING AN INCLUSIVE CULTURE

This year we formed a DEI Committee that is operating in sync with our ESG Committee and have mobilized the support of the entire Firm. This new committee now has the active engagement of 21 employees organized into five subgroups. In 2021, even as the DEI Committee was taking its first steps, we made major accomplishments in the DEI area, as detailed below and on the following page. In next year's ESG report, we expect to share detailed reporting on the work of this committee.

Building DEI Programs at Our Portfolio Companies

Training and leadership development is an ongoing process at Oak Hill and our portfolio companies. Recognizing the value of providing portfolio companies with guidance on building a best-in-class DEI program, in 2021 we engaged with BSR to deliver an hour-long presentation entitled "How to Build a DEI Program at a Middle Market Enterprise" to the leaders of our portfolio companies. This pragmatic session focused on the key building blocks of a successful DEI program leveraging the 30 years of research on which initiatives we believe can create value and which ones do not at companies around the world.

Unconscious Bias Training at Oak Hill

In addition, recent events have triggered calls for leaders to be more open regarding conversations of bias, systemic inequality, and allyship. To better equip Oak Hill's entire organization to deal effectively with this societal issue, we engaged BSR and the NeuroLeadership Institute to present talent strategies for driving organizational behavior change to our investment professionals. These experts then presented a two-part professional development series to senior leaders at Oak Hill portfolio



companies. The sessions - "The Neuroscience of Bias and Exclusion" and "The Habits of Inclusion" - were designed to kick-start a shift in mindset, prompting leaders and managers to be more open-minded, resilient, and inclusive. We encouraged portfolio companies to provide similar training for their broader teams.

MAKING PROGRESS TOWARD A MORE DIVERSE FIRM

Attracting, developing, and retaining the best talent in today’s multicultural environment requires that we reflect our society’s myriad cultures, backgrounds, and perspectives. Oak Hill seeks to build a more diverse workforce and an equitable and inclusive organizational culture that is best in class. Recently, we have formalized our commitment to these principles

through the adoption of a formal Diversity, Equity, and Inclusion Policy, a four-part DEI Plan (outlined below), and the creation of a DEI Committee. We believe these steps will not only improve our team’s performance but also better equip us to serve our portfolio companies, investors, and the communities where we live and work. Oak Hill will monitor and communicate our progress in this area.

OUR PROGRESS IN 2021

1 Establish a Plan and Measure Progress

- Finalized our DEI Policy
- Became a signatory to the Institutional Limited Partners Association’s Diversity in Action initiative, which will help us measure our progress annually

2 Increase the DEI Skills and Knowledge of Oak Hill Professionals

- Delivered unconscious bias professional development sessions for Oak Hill investment professionals
- Formed a DEI Committee with Nicole Arnaboldi as chair and Hecliam Bennett as co-chair and 19 employee volunteers as members to assist with implementation

3 Increase DEI at Oak Hill

- Increased gender diversity of the Investment Committee through the addition of Nicole Arnaboldi
- Set a goal for 50% of applicants to be from underrepresented groups
- 33% of the new hires at Oak Hill included people from underrepresented groups

4 Increase DEI Initiatives at Oak Hill Portfolio Companies

- Established board diversity requirements for portfolio companies
- Delivered unconscious bias professional development sessions for portfolio companies

BRINGING MORE WOMEN INTO ASSET MANAGEMENT

Asset management has been challenged by a lack of diversity on investment teams, including gender diversity. Oak Hill welcomes a more diverse workforce because we believe that a diverse, equitable, and inclusive culture improves investment performance, team culture, and the likelihood of long-term success.

Partnering with Girls Who Invest

For three consecutive years, Oak Hill has introduced young women to the world of private equity through the Girls Who Invest (GWI) Summer Intensive Program. GWI strives to bring more women into portfolio management and leadership through education, mentoring, internships, and a supportive community. Through our partnership with this nonprofit, we provide training and real-world experience in frontline investing to inspire and equip young women to pursue careers in investment management. A cross-functional team composed of professionals of all levels of seniority at Oak Hill runs this program.

Hosting Investment Interns

During the summer of 2021, GWI interns were embedded with investment teams, where they gained a better understanding of both the private equity industry as well as Oak Hill's distinctive culture and approach to responsible investing. Interns measured their progress against a core competency checklist of key learnings and prepared a capstone project and presentation. GWI participants, as well as our other interns, also received ESG-focused training on key ESG issues facing the private equity sector and how Oak Hill and our portfolio companies manage these issues. Partners, principals, vice presidents, and associates all participated in the training of our interns.

Building Our Culture

The interns were not just getting help from us; we were getting help from them. Engaging with these professionals helps to build our culture and fosters growth across our team.



Expanding Our Impact

In line with our founding value of investing responsibly, each of the companies that joined our portfolio in 2021 works to achieve healthier, more sustainable outcomes. We believe that better business practices can help create a better future for all our stakeholders.

2021 MILESTONES

AMERICAN VETERINARY GROUP

engaged 400+ employees
in its growing Level Up veterinary
technician training program

TRINITY CONSULTANTS

**measured and helped
mitigate environmental
impacts**

through its air quality monitoring
services and tools

TECHNIMARK

**conducted sustainability
programs**
and hired full-time VP of ESG



AMERICAN VETERINARY GROUP

Unleashing Employee Potential

Career development programs enable employees to advance their skills and deliver high-quality pet care.

Employee training is good for our company and good for our employees. It is a hallmark of a good ESG program. We are especially proud of the Level Up program at American Veterinary Group (AVG). AVG provides tools and resources for its people to deliver advanced,

high-quality care and client services. Chief among these are its career development programs and training academy for veterinary technicians and veterinarians that enable these professionals to advance their skills and their careers.

Level Up Learning Platform

For non-veterinarian team members, AVG offers the Level Up program, a tiered learning platform to help staff become highly qualified veterinary technicians. The program is designed to develop employees in their careers, ensure pets have the best care, and that our veterinarians have highly trained staff.

It culminates with a fully paid tuition enrollment in a college program, during which participating employees can earn an Associate in Arts degree, paid for by AVG, to become a certified veterinary technician. This internal program utilizes eLearning modules, hands-on learning, and observational learning. Over 400 employee trainees and 100 trainers participate across the company's locations nationwide.

With Oak Hill's support, we are expanding all our team members' professional skills, from the hourly staff employee to the licensed doctors in veterinary medicine, to ensure high-quality care is provided to our customers and their pets and to better the lives of all our stakeholders.

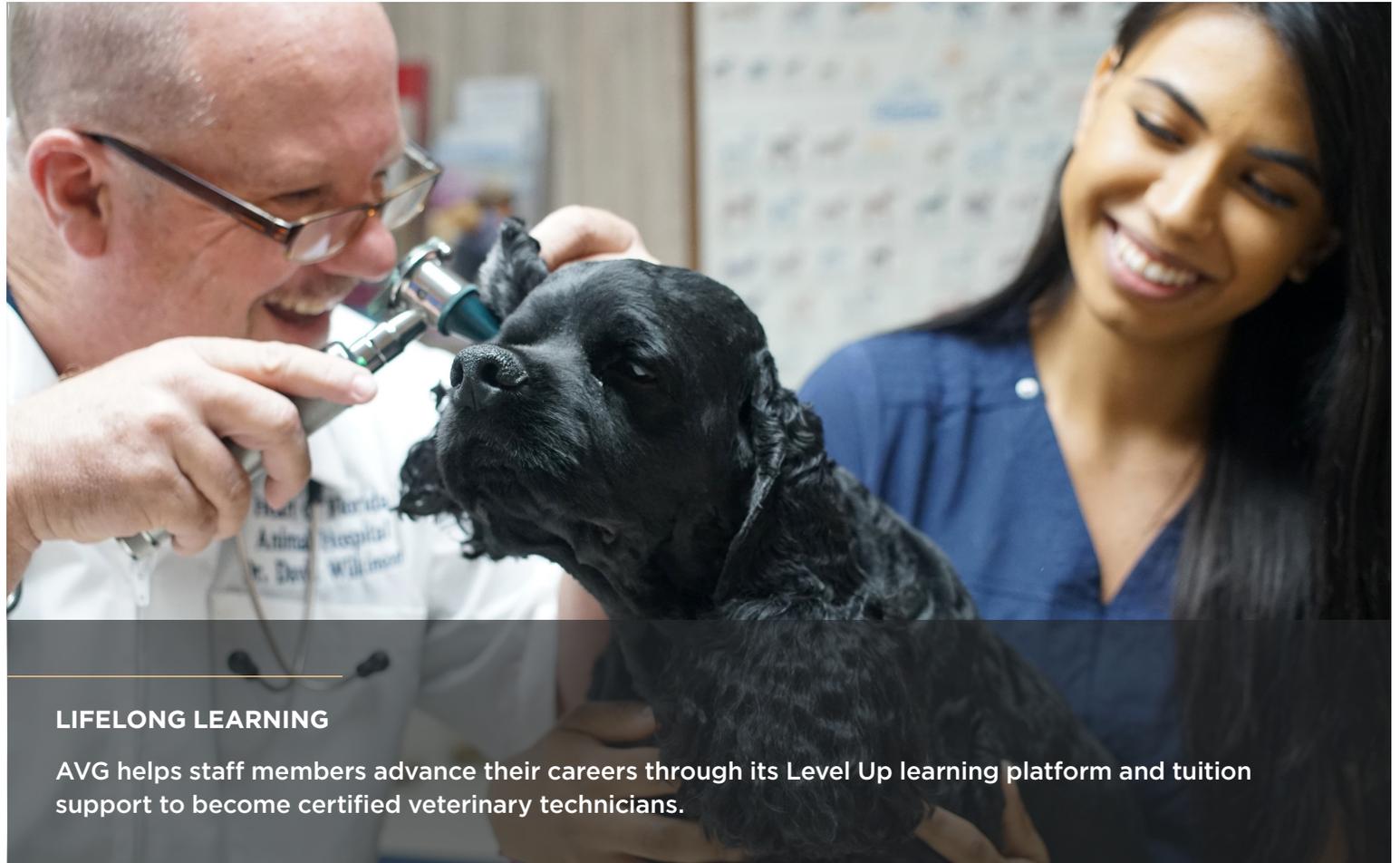
Craig Niebur, CEO
American Veterinary Group

AMERICAN VETERINARY GROUP

Mentoring New Veterinarians

AVG provides a solid foundation for newly graduated veterinarians through its mentorship program. In this program, recent graduates are paired with an in-house mentor and regional medical director to work side by side on medical, dental, and surgical areas. During this 12-month program, young veterinarians build knowledge, experience, and confidence through detailed one-on-one training, strong mentor and mentee relationships, and networking with fellow veterinarians.

American Veterinary Group owns and operates over 85 veterinary practices throughout the Southern United States, including small and mixed animal general practices as well as Urgent Vet Pet Clinics, which bridge the gap between daytime general practice and overnight emergency care.



LIFELONG LEARNING

AVG helps staff members advance their careers through its Level Up learning platform and tuition support to become certified veterinary technicians.

TRINITY CONSULTANTS

Essential Expertise for Air Quality

Trinity's core business is focused on accelerating the global transition to a cleaner environment.

A new addition to the Oak Hill portfolio, Trinity Consultants is an environmental services firm whose core services create positive environmental impacts. Their wide range of services include air quality monitoring; chemical compliance; environmental, health, and safety (EHS) management; waste management; and water quality testing.

Since 1974, Trinity has been helping clients identify opportunities to reduce waste, pollution, and greenhouse gas (GHG) emissions to protect both their workers and customers. Trinity specializes in supporting leading companies in quantifying their air

emissions. Trinity looks inside buildings and outside to gather information that predicts the impact of air emissions on surrounding communities. Trinity then collaborates with clients to identify mitigation strategies that address public concerns and meet air quality standards as regulatory requirements grow more stringent.

Advancing Environmental Justice

The issue of environmental justice has recently emerged as a prime focus of environmental regulations as society recognizes that the neighborhoods most impacted by environmental impairment are often marginalized, underserved, and overburdened communities. Increased regulatory action is imminent in light of the U.S. Environmental Protection Agency plans to advance environmental justice and increase access to environmental information such as air emissions. This focus, along with similar efforts at the state level, will drive the need for data to identify negative EHS impacts on vulnerable communities and then determine which organizations could be contributing to those impacts.

Trinity's engineers, scientists, and other technical consultants utilize the firm's air quality monitoring networks to provide essential data to technology companies that are looking to democratize air quality data. Its business is centered on performing predictive

Our nearly 50-year history in industrial air quality issues has prepared us to provide value to organizations that are addressing growing demands of the public regarding environmental impacts and sustainability.

Jay Hofmann, CEO
Trinity Consultants

analytics, modeling, and obtaining certification for customers based on increasingly complex regulations. Through its expertise and technology, Trinity supports companies with consistent, accurate emissions reporting as well as identifying potential environmental justice impacts, opportunities for mitigation, and enhanced community engagement.

The Drive to Net-Zero

The movement toward net-zero carbon emissions is spurring companies, investors, and governments to reduce their GHG emissions. Trinity supports

CASE STUDY

TRINITY CONSULTANTS

decarbonization efforts with services such as GHG emissions quantification, footprinting, mitigation, benchmarking, offset projects, and verification. Trinity's expertise in air quality impact analysis, carbon management, and environmental sustainability also supports companies seeking to advance progress toward certain UN Sustainable Development Goals (SDGs). These SDGs address accurate air quality

monitoring and reporting, reducing inequality through better data gathering and decision-making, and creating more sustainable cities and communities.

Supporting Future-Focused Organizations

Environmental justice, net-zero goals and ESG management represent significant opportunities for Trinity Consultants. The company's in-depth expertise

and specialized tools will enable it to make significant contributions on these critical issues.

Founded in 1974, Trinity Consultants is a leading EHS, engineering, and science consulting firm that provides consulting, technology solutions, and professional education to clients in various industrial and health care end-markets globally.

MEETING REGULATORY REQUIREMENTS

Trinity supports companies by helping them meet the growing regulatory requirements for consistent, accurate air emissions reporting.





CASE STUDY

TECHNIMARK

Responsible Production of Plastics

Technimark innovates to incorporate sustainability from design to delivery.

In a world striving to manage plastic waste, Technimark responsibly develops, compounds, and molds high-performance, high-quality recycled resins. Many of its highly specialized and engineered products are critical to the health care industry, which represents a substantial portion of Technimark's business.

Having a trusted source of high-quality, sustainable plastic is particularly appealing to health care clients as plastic is the only material that works for certain

medical applications. In this market, as well as consumer packaging, clients are trying to reduce plastic waste while meeting market demands for product protection and functionality.

Integrated Sustainability

Guided by a robust and comprehensive sustainability program, Technimark's integrated recycling and production processes incorporate sustainability from concept to commercialization. Experts in sustainable solutions, Technimark optimizes product design and manufacturing early in the development process to minimize waste, carbon emissions, and the amount of plastic resin in molded parts. The company also offers customers postconsumer recycled and renewable resource resins for manufacturing sustainable products. In addition, Technimark's recycling division custom compounds top-quality postconsumer and postindustrial recycled plastic raw materials that offer the same performance and quality of virgin materials.

Quality Health Care Products

Technimark's quality commitment is evident in its growing health care division, where each facility meets all applicable ANSI, ISO 9001, and ISO 13485

Twenty-five years ago, we integrated the production of recycled resins through our subsidiary Wellmark. Since then, we've intensified our focus on developing our sustainability offering. Our goal is to protect the environment while creating value for our customers.

Brad Wellington, CEO
Technimark

standards as well as all relevant Food and Drug Administration regulations for the manufacture of medical products. In addition, the majority of Technimark's facilities meet ISO 14001 standards, ensuring the company is continuously working to reduce its environmental impact.

TECHNIMARK

**ON-SITE PROTOTYPE MANUFACTURING**

More than 50 designers, process and automation engineers, and materials development experts combine their design and engineering capabilities with on-site prototype manufacturing at Technimark's 30,000 sq. ft. Innovation Center.

The company is expanding and formalizing its global sustainability strategy under the direction of its new Vice President of ESG, Katie Distler, as it works to ensure that ESG considerations are embedded in its business priorities. Technimark aims to be a leader in its sector by operating in an environmentally responsible manner, cultivating a diverse and inclusive workforce, maintaining the highest standards of business ethics, and being a force for good in the communities in which it operates.

Headquartered in Asheboro, North Carolina, Technimark is a leading manufacturer of innovative, highly engineered injection-molded components for the health care, consumer packaging, and specialized industrial end markets.

What Drives Us

Formed more than a decade ago, our ESG program is a long-standing responsible investment initiative, one of the first of its kind among middle-market private equity firms.² Over time, it has grown and evolved into what we believe is an integrated, industry-leading approach.

2021 MILESTONES

CELEBRATED

progress made on tropical forest protection

by Emergent Forest Finance Accelerator, of which Oak Hill is a founding partner

ADVANCED

the next generation

of sustainability leaders by hosting our sixth EDF Fellow at an Oak Hill portfolio company

REPORTED

our responsible investment progress

according to the UN PRI for the sixth consecutive year

APPOINTED

John Zimmerman

as Partner to support portfolio company leadership in improving operational and ESG performance

² See [Endnote](#) on pg. 31.



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, seek to:

- 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, businesses that produce guns and ammunition or engage in payday lending or gambling.
- 3 **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 and ESG Officer and working with our strategic ESG partners, BSR and EDF.
- 5 **Make ESG integration an ongoing endeavor.** The ESG Committee will meet semiannually to review the Firm’s efforts.
- 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 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.

ESG HUMAN CAPITAL

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 collaborates with our ESG Officer to integrate ESG management across the Firm’s activities with the support of our investment professionals and Operating Network. Their efforts are enhanced by a DEI Committee formed in 2021.

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.

DEI Committee: Bringing Employees Into the Tent

Established by our ESG Committee in 2021, our DEI Committee implements the Firm’s DEI policy and strategy, which are important elements of our ESG approach. A total of 21 employees – more than one-third of our professionals – now work with the DEI Committee through five active subgroups focused on discrete projects. DEI implementation is guided by our senior management team, which is responsible for setting our overall DEI strategy.

Oak Hill ESG Committee



John Monsky
ESG Committee
Chair, Partner and
General Counsel*



Brian Cherry
Managing Partner*



Nicole Arnaboldi
DEI Committee
Co-Chair, Partner*



John Rachwalski
Partner



John Zimmerman
Partner



Lee Coker
ESG Officer



Jennifer Jun
Principal*



Jake Shulman
Vice President,
Investor Relations



Jeffrey Butler
Vice President



Hecliam Bennett
DEI Committee
Co-Chair, Sr. Human
Resources Generalist*



Peter Koch
Associate



Ennio Montinaro
Chief
Administrative
Officer*



Adam Hahn
Principal*

* Also serves as a
DEI Committee
member

ESG HUMAN CAPITAL (CONTINUED)

ESG Officer: Leading Due Diligence and Portfolio Company Initiatives

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 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.

New Partner: Focusing on ESG Operations

In 2021 we expanded our leadership team as John Zimmerman, a former Senior Advisor, was hired to a new role as a full-time partner and as an Investment Committee member. Working alongside Oak Hill's team, John will partner with portfolio company leadership to accelerate value creation plans and support ESG implementation.

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. This effort is led by partner John Zimmerman.



PARTNERSHIPS ELEVATE OUR ACTIONS

As we seek to further integrate ESG management within our Firm and across our portfolio, we partner with organizations that bring expertise and insights on emerging trends and best practices to guide our efforts.

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.

EDF: 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. Our portfolio company, Berlin Packaging, hosted an EDF Climate Corps fellow during 2021, the sixth such engagement in our portfolio. Through this innovative fellowship program, portfolio companies seek to gain a competitive edge while helping to cultivate the next generation of sustainability leaders.

Ceres: Taking Action on Climate Change



Ceres

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



As a signatory of the Principles for Responsible Investment, 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 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.

Ownership Works: Advancing Employee Ownership Through Shared Prosperity



In early 2022, Oak Hill became a founding member of Ownership Works, a nonprofit with a mission to increase prosperity through shared ownership at work. We will work with this new coalition of 60 investors, corporations, foundations, pension funds, and labor advocates to create meaningful wealth-building opportunities for employees at our portfolio companies.

PRE-INVESTMENT DUE DILIGENCE

Over the past nine 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 an 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.

DUE DILIGENCE ON EVERY TRANSACTION

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 risks 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. Integrating 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. These advisors provide insights on specific ESG-related questions and potential risks or value creation opportunities.

Pension, Benefits, and Health Care

Leslie Nielson, a Managing Director at Alvarez & Marsal, and her team of dedicated mergers and acquisitions 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

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

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

Risk Management

As Oak Hill’s Operational Risk Advisor for 17 years, **Matt Folk** reviews all potential investments to ensure that they are adequately covered with insurance for incidents that we believe could result in negative ESG impacts. Insurance is a critical ESG management tool for protection against issues, including:

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

COMBATING CLIMATE CHANGE

In 2018, Oak Hill became a founding partner of the non-profit Emergent Forest Finance Accelerator, which introduced innovative financing methods to slow deforestation and preserve biodiversity. Emergent's early action laid the groundwork for ongoing progress, including substantial funding and support commitments announced during the UN Climate Change Conference COP26 in Glasgow.

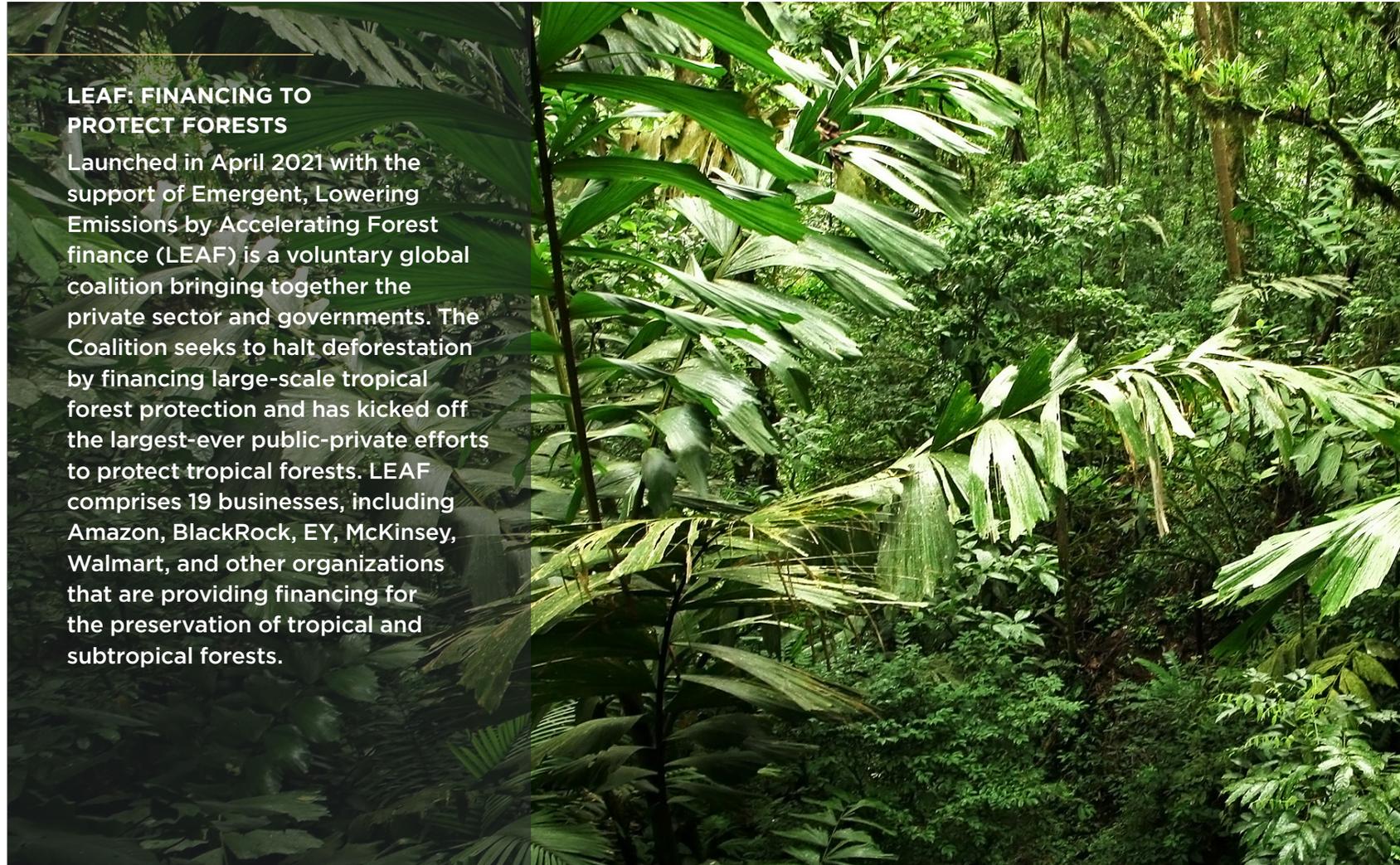
Mobilizing Capital for Climate Solutions

The Emergent team helped mobilize the Lowering Emissions by Accelerating Forest finance (LEAF) Coalition and serves as the transaction intermediary for the coalition, which has mobilized \$1 billion in commitments by 19 corporations and three countries to slow deforestation in tropical and subtropical forest nations and states. Emergent supports LEAF by serving as the initiative's administrative coordinator and facilitating its transactions to protect tropical forests. Reversing deforestation is essential to achieve the goals of the Paris Agreement and for any pathway limiting global temperature rise to 1.5°C in response to the global climate crisis.

\$1 Billion
mobilized by LEAF
in 2021

LEAF: FINANCING TO PROTECT FORESTS

Launched in April 2021 with the support of Emergent, Lowering Emissions by Accelerating Forest finance (LEAF) is a voluntary global coalition bringing together the private sector and governments. The Coalition seeks to halt deforestation by financing large-scale tropical forest protection and has kicked off the largest-ever public-private efforts to protect tropical forests. LEAF comprises 19 businesses, including Amazon, BlackRock, EY, McKinsey, Walmart, and other organizations that are providing financing for the preservation of tropical and subtropical forests.



COMBATING CLIMATE CHANGE (CONTINUED)

EMERGENT: INCENTIVIZING PRIVATE SECTOR SOLUTIONS

Emergent is a U.S. nonprofit created in 2018 with the support of Oak Hill Capital. Emergent addresses the urgent climate and biodiversity crises by accelerating finance to support reductions in deforestation at scale.

The group is an intermediary between tropical forest countries and the private sector. Emergent seeks to reduce deforestation by developing and bringing to market practical, credible, and large-scale forest protection solutions. Oak Hill is a founding partner of Emergent.



Acting on Our Values

Oak Hill recognizes that climate change is a pressing global issue and believes that business has a critical role to play.

Our Role in Establishing Emergent

That sense of obligation to use our resources to look outward and address societal issues motivated us to help establish Emergent in 2018 and continue to support its work since then.

We seek to address climate change throughout our portfolio companies, and we also leverage our role through collaborative initiatives that we believe can engage and catalyze meaningful ESG results.

HONORING FORGOTTEN VETERANS

Oak Hill recognizes and welcomes the unique contributions of people from all backgrounds to our Firm. We believe that society is stronger when all members are valued and work toward shared goals. These values were celebrated in a recent event that emerged out of an Oak Hill-supported production. In the fall of 2021, the Oak Hill team, along with family members, investors, veterans, and West Point students gathered at Carnegie Hall in New York City to witness a unique multimedia performance recognizing the contributions of Black World War II veterans, female war reporters, and American troops of all backgrounds.

Recognizing Black and Women Service Members

The program, “The Eyes of the World: From D-Day to VE-Day” was the third year of sold-out Oak Hill-related programs at Carnegie Hall. Its purpose was to honor military veterans and shine a light on the contributions of Black Americans and female war reporters which have often gone unrecognized. Created by an Oak Hill partner, the show focused on the final months of World War II in Europe.

Service During World War II

A cast of Broadway stars and the 58-piece Orchestra of St. Luke’s brought to life the war experiences of the all-Black Women’s Army Corp units tasked with cleaning up years of mail for troops desperate for news from home. Some 855 Black women served in Unit 6888, the only Black female unit to serve overseas during World War II. Attending the event was Unit 6888 veteran and former Army medical assistant, 101-year-old Cresencia Garcia and Retired Lieutenant Colonel Patricia Jackson-Kelley, president of the National Association of Black Military Women. The production also sheds light on other heroes, including Black soldiers with the 320th Barrage Balloon Battalion who stormed the beaches of Normandy and the all-Black 761st Tank Battalion. It also highlights the roles of female war reporters Lee Miller and Martha Gellhorn.

Understanding Our Nation’s History

In the tradition of previous performances at Carnegie Hall and annual Firm meetings, the program promotes understanding and appreciation of our nation’s history and affirms service to our country. It will be presented again in the summer of 2022 at the John F. Kennedy Center for the Performing Arts in Washington, D.C.



The 855 Black women who served in the 6888th Central Postal Directory Battalion during World War II were among those whose contributions were celebrated in a recent Oak Hill-sponsored production.

2021 ESG PERFORMANCE

We utilize the Principles for Responsible Investment (PRI) framework to report on our year-over-year progress as we believe this provides the consistent, comparable ESG performance data that investors and other stakeholders value.

We annually map the progress of our ESG activities against the PRI framework and use the results to identify target areas for growth.

<p>Pre-Investment Analysis</p>	<p>PRI 1: Incorporate ESG Issues Into Investment Analysis and Decision-Making Processes</p> <ul style="list-style-type: none"> Conducted ESG analysis on 100% of potential fund investments presented to the Firm’s Investment Committee through the Firm’s due diligence process. Utilized industry-specific ESG standards, including SASB sector standards in our research. Partnered with EDF, BSR, and Ceres to stay informed of emerging macro and industry-specific ESG issues to include in our analysis. Directly engaged with BSR on a total of 9 potential transactions in the past five years, including one in 2021, for deeper dives on specific ESG issues at potential investments.
<p>Active Management</p>	<p>PRI 2: Be Active Owners and Incorporate ESG Issues Into Our Ownership Policies and Practices</p> <ul style="list-style-type: none"> Directly engaged with senior executives and mid-level managers at 100% of current portfolio companies to present ESG guidelines, advise on implementation, and provide resources. Developed and provided an ESG Guidelines Resource Guide, tools, templates, and other resources to facilitate portfolio company implementation of ESG Goals. Developed and presented a total of 19 professional development webinars focused on ESG issues for portfolio companies since 2014, including two during 2021. Topics have included creating a responsible sourcing initiative, mitigating risks from climate change, implementing diversity and inclusion initiatives, and how to build a veteran hiring program. Placed our sixth EDF Climate Corps fellow at a portfolio company to work with management to identify specific initiatives that can reduce GHG emissions and energy costs.

2021 ESG PERFORMANCE (CONTINUED)

7 years
of publicly sharing
our responsible
investing progress
through an annual
PRI Transparency
Report

<p>ESG Disclosure</p>	<p>PRI 3: Seek Appropriate Disclosure on ESG Issues by the Entities in Which We Invest</p> <ul style="list-style-type: none"> ▪ Introduced ESG board reporting, established ESG guidelines, and provided templates for consistent reporting across our portfolio in 2021. ▪ Described ESG initiatives at 100% of recent investments in our annual ESG reports. ▪ Engage investment professionals, Senior Advisors, and/or our ESG Officer in frequent reviews of relevant ESG initiatives with portfolio company management teams and request company-specific ESG-related data. ▪ Regular reviews of Firm and portfolio company ESG performance by the Firm ESG Committee.
<p>Advance Acceptance</p>	<p>PRI 4: Promote Acceptance and Implementation of the Principles Within the Investment Industry</p> <ul style="list-style-type: none"> ▪ Presentations on ESG issues in private equity at 13 industry forums by Firm’s professionals since 2011 and features of Oak Hill ESG program accounts in 6 trade publications. ▪ Collaborated with PRI and EDF to develop 4 sets of tools and resources to further ESG integration across the global private equity sector since 2012.
<p>Effective Implementation</p>	<p>PRI 5: Work Together to Enhance Our Effectiveness in Implementing the Principles</p> <ul style="list-style-type: none"> ▪ Have been an EDF partner 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.
<p>External Transparency</p>	<p>PRI 6: Report on Our Activities and Progress Toward Implementing the Principles</p> <ul style="list-style-type: none"> ▪ Publicly released the Firm’s ninth annual ESG report. ▪ Completed PRI Transparency Report annually since 2014.

* 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, 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.

Oak Hill reserves the right to change its ESG guidelines, standards, and requirements at any time.

The programs and policies set forth herein are aspirational and despite reasonable efforts may not be achieved and may be discontinued if Oak Hill in its reasonable discretion believes that it is appropriate to do so.

There can be no assurance that each portfolio company will achieve the ESG goals set forth herein, or that Oak Hill will be able to accomplish all of them. In some cases, implementation may be delayed or not achieved due to various factors.

Endnotes

Endnote 1, page 4 - 2020 was the last year in which Principles for Responsible Investment (“PRI”) issued Assessment Reports to firms. PRI is not considered an official rating agency, and its Assessment Report is one measure of Oak Hill’s ESG initiatives. For more information on PRI qualifications and reporting metrics, see [unpri.org](https://www.unpri.org).

Endnote 2, pages 4 and 19 - Regarding our belief that we are one of the first middle-market private equity firms to establish specific ESG guidelines/requirements for portfolio companies, we learned this through our partners at BSR, who work with a large number of private equity firms on ESG matters.

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