



EAGLETREE
CAPITAL

2021 Annual ESG Report

Message from Our Co-Managing Partners



**Anup
Bagaria**



**George
Majoros**

We are pleased to issue EagleTree's inaugural Annual ESG Report, which describes our ongoing commitment to responsible investment and our most recent initiatives to measure and improve our performance with respect to the ESG principles that have historically guided our Firm's investments. We believe that integrating a developed ESG framework throughout our investment process can help to enhance our long-term financial returns by mitigating risks and identifying opportunities. As part of this effort, we regularly seek to identify, analyze and manage key responsible investment factors from acquisition through exit.

In addition, we continue to promote and support diversity and inclusion across our Firm as well as the private equity industry in general, most recently as an ILPA Diversity in Action Initiative signatory. Our commitment begins with a strong focus on the recruitment of diverse, talented and skilled candidates and continues through employee development and retention initiatives. We understand that having people with varied backgrounds, perspectives, ethnicities, orientations and generations fosters a more inclusive successful business environment.

We believe that our proactive ESG framework aligns us with our investors and positions us to achieve profitability across our portfolio companies in a global marketplace where environmental, social and economic forces are critical factors.

This report covers the 2021 calendar year as well as our current plans for the future. We have always been committed to transparency and look forward to continuing to share our progress with respect to our ESG initiatives in the coming years as our ESG program and framework continue to evolve. In that regard, we welcome your feedback on our initiatives and any comments you may have on this report.

About Us

EagleTree Capital

EagleTree Capital is an independent private equity firm that invests in mid-market businesses primarily headquartered in North America with a focus on control investments



Highlights

\$4+ Billion in AUM

- Over 35 private equity investments completed
- Over 75 add-on transactions

Active Funds

- Fund V \$1.1 billion
- Harvesting Funds III and IV

Long Tenured Cohesive Team

- Co-Managing Partners together 27+ years at firm
- Senior Partners 21+ years on average at firm
- Team of 40+

Core Industry Sectors

- Media & Business Services
- Consumer
- Water & Specialty Industrial

Our ESG Journey



Paul Weiss



2015-2018

- Adopted an ESG Policy in 2017 to formally codify our longstanding ESG values and commitments
- Established an ESG Committee
- Engaged first outside ESG consultant, Silver Regulatory



2019-2020

- PRI Signatory (2019)
- Formally integrated ESG into pre-acquisition diligence
- Engaged Paul Weiss ESG Advisory Practice to assist in further formalizing ESG framework

2021

- Hired Apex ESG Ratings Ltd
 - Began metrics based portfolio company ESG assessments
 - Initiated roll-out of carbon footprinting
- Established ESG Sub-Committee ("ESGSC") to handle day-to-day ESG related initiatives and reporting
 - Full ESG Committee involved in all investment decisions and setting direction for the ESGSC
- Adopted D&I Policy Statement
- ILPA Diversity in Action signatory



ESG Committee in 2022

ESG Team

- ESG Committee (ESGC) meets at least quarterly
- ESG Sub-Committee (ESGSC) meets at least weekly
- Senior professionals from investment, legal, finance and investor relations teams

2022 ESG Initiatives

- Appointed Operating Partner, Sean Macaulay as our Chief ESG Officer
- Adopted updated ESG Policy
- Continuing enhanced data collection and carbon footprinting alongside third party consultant, Apex ESG
- Implementing proprietary pre-acquisition ESG due diligence questionnaire and procedures
- ESG Sub-Committee manages day-to-day ESG efforts and initiatives and serves as a resource for the investment team



Stephanie McCavitt, Sean Macaulay and Michelle Sareen

ESGC MEMBERS

Chief ESG Officer & Operating Partner
Sean Macaulay*

Chief Financial Officer
Robert Mersten*

General Counsel & CCO
Stephanie McCavitt*

Senior VP & IR Director
Michelle Sareen*

Associate General Counsel – M&A
Arie Abramov*

Co-Managing Partner
Anup Bagaria

Co-Managing Partner
George Majoros

Senior Partner
Robert Fogelson

Senior Partner
Michael Struble

**Also members of the ESGSC*

Commitment to Community and Diversity



Supporting and giving back to our community are integral to our Firm values. EagleTree's Philanthropic Committee considers and decides on charities to partner with by volunteering our time and/or providing financial support. Our most recent partner charities are:



StreetWise Partners aims to reduce unemployment within the low-income communities of New York City through targeted mentoring services

- Our employee volunteers are paired with mentees who are unemployed or underemployed in order to provide them with the skills, resources and access to networks that they need to secure and maintain employment
- Over a third of our staff volunteered time in 2021



Girls Who Invest provides intensive educational programs, meaningful paid internships and a robust on-going community to help increase the number of young women in portfolio management and executive leadership roles in the asset management industry

- Hosting our first Girls Who Invest summer analyst in 2022



The Bowery Mission serves homeless and hungry New Yorkers and provides services that meet their immediate needs and transform their lives from poverty and hopelessness to hope

- Our partnership with The Bowery Mission allows us to engage on-the-ground on a year-round basis and give back in a meaningful way to our community



First Workings helps high achieving, high potential students from some of New York City's most underserved and underrepresented communities gain social capital and workplace readiness skills

- In 2021, members of the Firm participated in a virtual summer mentorship program for high school students with First Workings for the first time



City Harvest is New York City's largest food rescue organization, helping to feed the more than 1.5 million New Yorkers who are food-insecure

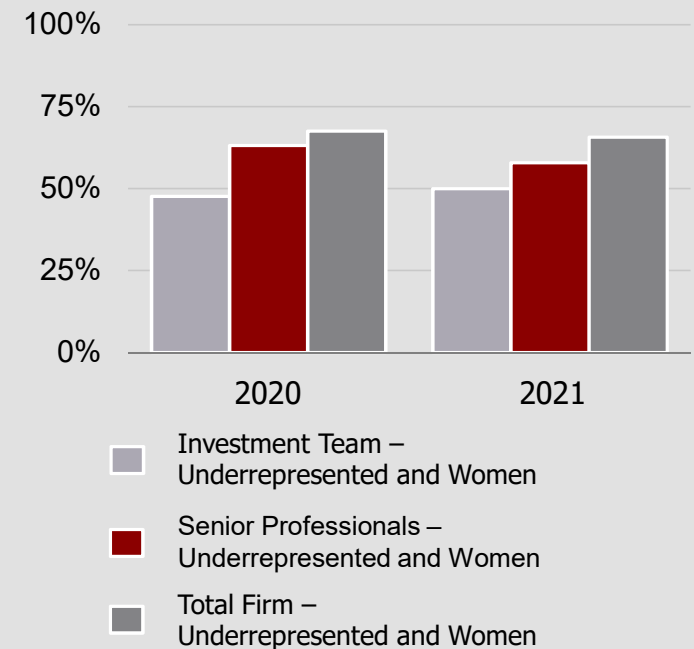
- EagleTree became a corporate partner of City Harvest at the outset of the COVID-19 pandemic



Diversity & Inclusion at EagleTree

- ILPA Diversity in Action Initiative Signatory
- 65% of our overall team is female or from an underrepresented background
- Having diverse perspectives is core to who we are

D&I Statistics



In Focus with Dr. Rengarajan Ramesh, EagleTree Operating Partner (13 years)

➤ PhD in chemical engineering with 5 US Patents



In the Office

- Dr. Ramesh helps drive ESG related improvements at our portfolio companies in energy efficiency, water quality and waste handling
 - He provides unique and valuable insight to EagleTree derived from a 40+ year career in water and industrial settings, including improving energy sustainability while he was the Chief Technology Officer for General Electric Water and prior to that the Chief Technology Officer at A. Schulman where he pioneered the use of sustainable agricultural practices (reducing the usage of pesticides, herbicides and insecticides)
- Helped our portfolio company WaterFleet diversify into emergency response services to help make good, even in times of crisis, on the UN human right to clean drinking water and sanitation
- Assisted the management team at our portfolio company Airtech (sold in 2021) to develop testing protocols for reducing volatile organics from the blower components used in ventilators to treat COVID patients
- Our water/industrial team leverages Dr. Ramesh's enzyme based bio feedstock experience to help source deals that promote a chemical free environment

Outside the Office

- Volunteer visiting research scholar (collaborator) at Princeton University
 - Helping lead the charge on solving global wastewater issues using enzymes and bacteria
 - Working together with Princeton and the United Nations for better treatment of sewage, including beneficial use for compost
- Volunteers time and expertise to the southern state of Tamilnadu in the district of Tirunelveli in India for wastewater treatment
- Dr. Ramesh has been serving as an advisor to the board of Specialty Enzymes, whose mission is to replace toxic chemicals with natural probiotic and enzyme ingredients to promote the health of humans, plants and animals



EagleTree's ESG Process

ESG Integrated Throughout the Investment Lifecycle

Pre-Acquisition	>	Post-Acquisition	>	Exit
<ul style="list-style-type: none">▪ General and sector specific ESG DDQs▪ Outside counsel and ESG specialists▪ ESGC integrated in Investment Committee meetings and discussions▪ Deal team works with ESGSC to evaluate ESG related risks and opportunities		<ul style="list-style-type: none">▪ ESG integration & data collection via third party tools▪ Deal team works with ESGSC and management to set ESG-related initiatives and goals as part of value creation approach▪ Carbon footprinting▪ Review progress at quarterly board meeting		<ul style="list-style-type: none">▪ Highlight progress on ESG matters▪ Share available key ESG performance data and/or ESG assessments▪ Consider the impact that potential buyers may have on the workforce▪ Summarize portfolio company's ESG positioning



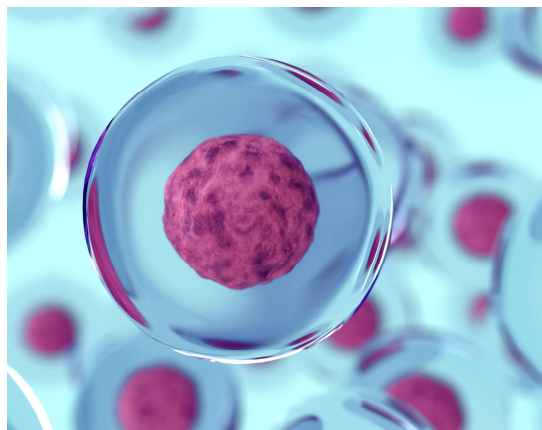
Portfolio Company Examples

Building resilient companies through continuous improvement is core to our process. ESG risks and opportunities are assessed at every stage of our portfolio companies' life cycles to help enhance successful outcomes.

Environmentally Friendly Solvents and Excipients Driven by Safety and R&D

Global leader in specialty chemical production for niche non-toxic environmentally safe solvents that are used in the pharmaceutical, petrochemical, agricultural and microelectronics industries.

Gaylord's Dimethyl Sulfoxide (DMSO) is used as an excipient (delivery vehicle) in many drug applications including COVID-19 vaccines, animal health and cancer treatments.



Highlights

- Good for the environment
 - 2021 production of DMS and DMSO converted 250 million cubic feet of toxic H₂S (Hydrogen Sulfide) into eco friendly solvents and excipients
- Safety a priority
 - More than 10 years without an OSHA recordable event
- R&D making an impact: working with the EPA to approve DMSO as an inert substitute for post emergent crop applications
- Certifications & Guidelines
 - Intl.: ISO9001:2015
 - Intl.: Kosher and Halal
 - US: FDA cGMP ICH Q7
 - US: FDA registered facility
 - EU: REACH compliant
 - EU: CEP (EDQM pharma certification)
 - 2021 EcoVadis Silver Sustainability Rating*





LIGNETICS
GROUP

Upcycling Wood Waste into Innovative Products

Lignetics is a U.S. leader in branded consumer wood pellet products, primarily for home heating with rapidly growing adjacent categories including BBQ grilling pellets and pet-and-animal related offerings.

The company has a compelling ESG story in that it transforms residual waste products from sawmills, lumber mills and other wood processors into environmentally sustainable products: fuel for heating, fuel for grilling and pet-and-animal related bedding and litter. Its upcycled pellets represent a sustainable carbon neutral substitute for fossil fuels by displacing oil and propane for home heating and coal and propane for barbecue grilling. Lignetics is reimagining and repurposing the waste of other companies.



TAPPI

EAGLETREE
CAPITAL



ALLIANCE
FOR GREEN HEAT
low carbon, renewable and local



Pellet Fuels Institute

Highlights

- Carbon neutral substitute for propane, heating oil and natural gas for home heating
- In 2021, saved 2 million tons of wood waste from landfills by upcycling into value-add consumer products; packaging now fully recyclable
- Clean burning premium pellets
 - All natural 100% biodegradable
 - Ash can be used as fertilizer
- Accreditation from Pet Sustainability Coalition: biodegradable and compostable cat litter from upcycled wood waste
- Employee feedback counts: 360 survey results driving safety and training enhancements
 - Training program reduced work related injuries
 - Created transparent skills/competencies matrix to manage career progression



Helping Deliver the Brand Experience Sustainably

Moss partners with clients around the world to help tell their brands' stories through compelling experiences. Helping a broad spectrum of clients, including at exhibitions, events, retail & corporate environments, restaurants and museums deliver their message sustainably and attractively with graphic fabric-based signage, panels, 3D shapes, light boxes and tension structures.



Highlights

- Joined SEAQUAL initiative: reducing litter in our oceans
 - Developed SustainaTex Ocean fabric
 - Fabric is 100% recycled and recyclable
 - 2.26 (16.9 oz) plastic bottles per sq. ft. fabric saved from oceans and landfills
- COP26 (2021 UN Climate Change Conference):
 - Became signatory to the net zero carbon initiative for the events industry
- US-based production facility and headquarters
 - 100% renewable energy electricity
 - All waste is separated and Moss pays to have each recyclable component processed
 - Waste-generated gas is converted to energy by the EPA Landfill Methane Outreach Program (EPA LMOP)
- 2021 EcoVadis Silver Sustainability Rating*



Clean Water. Where You Need It. When You Need It.

WaterFleet is a leading provider of turnkey mobile onsite potable water and wastewater treatment.

WaterFleet provides more than clean water in challenging locations/circumstances as it provides detailed water treatment and usage analytics to help support their clients' own environmental initiatives and regulatory compliance.



Highlights

- Helping clients reduce their greenhouse gas (GHG) emissions and carbon footprint
 - 12+ million pounds of GHG saved from the atmosphere per year
 - 250+ million gallons of onsite water processed to date
 - 180+ million gallons of wastewater treated for reuse
 - Saved 13+ million heavy-haul truck miles reducing GHG emissions and road wear
- Provided potable water, ice, kitchens and restrooms to 5,000+ relief workers as part of the Q3 2021 Hurricane Ida response, improving their health and wellbeing in difficult work circumstances
- 2021 Environmental Stewardship Award at the South Texas Energy and Economic Roundtable's EagleFord Excellence Awards
- 2021 EcoVadis Silver Sustainability Rating*

Looking Forward



Environmental

- Ongoing roll out of carbon footprinting across portfolio companies

Social

- Diversity and inclusion have been integral EagleTree core values
 - Continue to tailor our hiring initiatives to maintain and grow diversity
 - Philanthropic initiatives focus on people from underrepresented communities and women in finance

Governance

- Ongoing work with third party ESG consultant (Apex ESG)
 - Portfolio company ESG and D&I evaluation and data collection
 - Use data collected to set specific material portfolio company-by-portfolio company ESG related goals and objectives

“ At EagleTree we work together to further economic and ESG related goals, one portfolio company at a time ”

**Sean Macaulay,
Chief ESG Officer and
Operating Partner**

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