

Platinum Equity →

ESG



**Environmental, Social and Governance Report
For the Period Ending December 31, 2022**

Contents

01

02

03

04

05

06

07

A Note From Platinum's CEO



Tom Gores

Tom Gores

Founder and CEO, Platinum Equity

We are pleased to present Platinum Equity's ESG report for the period ending December 31, 2022. It represents a summary of our approach to ESG, presented by executives from across the firm with responsibility for ensuring that our investments deliver not just great returns, but great outcomes.

In a related context, I want to underscore the importance we place on investing not just in companies, but in people and communities. Our approach is to lead from the front in making a positive impact on the communities where we live, where we work and where our companies operate.

Some examples from the past year: we've committed \$100 million to provide broad support to community development and charitable initiatives across the country; launched the development of a \$20 million community center in Detroit; supported Oliver Scholars, which helps young people from underserved New York City communities access top high school college programs; developed a mentorship program for students at the Jalen Rose Leadership Academy in Michigan; and provided grants to a variety of programs including Ability First and Big Brothers and Big Sisters.

We are rightly proud of our performance as pure investors, delivering strong financial returns. We are equally proud of our contribution to the lives and well-being of the employees, customers and communities we serve.

An Introduction to This Report

The information contained herein represents a summary of our approach to ESG, the processes and procedures we employ to promote positive ESG outcomes that enhance investment value, several relevant case studies, and efforts we are making to continue refining our ESG capabilities.

Matters of ESG are important to our value-creation process and are important to our investors, our companies, our employees and the communities we all serve.

We are proud of the progress we made last year. We fortified our ESG infrastructure with new talent and technology. We collected more data than ever, while assessing and analyzing it to find new areas for improvement. And we continue to refine our approach.

Throughout this report, you will see tangible results of these efforts.

About Platinum

Founded in 1995, Platinum Equity is a global investment firm with approximately \$47 billion of assets under management, six offices, more than 300 professionals, and operating experience across all seven continents.*

We specialize in private equity and other alternative investment strategies, investing on behalf of pension funds, endowments and foundations, insurance companies and financial institutions, family offices, and other large institutions around the world. We generate returns by acquiring and transforming companies that need financial and operational support to unlock their full potential. Over the past 28 years, we have completed more than 400 acquisitions.

Our highly specialized strategy, M&A&O® (Mergers, Acquisitions and Operations), integrates investment expertise with deep operational capability and resources, including a large team of in-house operations professionals with hands-on experience from the factory floor to the boardroom. We believe our commitment to operations sets us apart from other firms. This approach helps us build healthy, resilient companies and create enduring value.

Our current portfolio includes more than 50 companies that operate in a diverse range of industries. Together, these businesses generate \$94+ billion in aggregate annual revenue and employ ~220,000 people around the world.

The Firm at a Glance

Our Firm

6

Offices globally

7

Continents where Platinum has operating experience

~\$47B

AUM

Our Portfolio

~220K

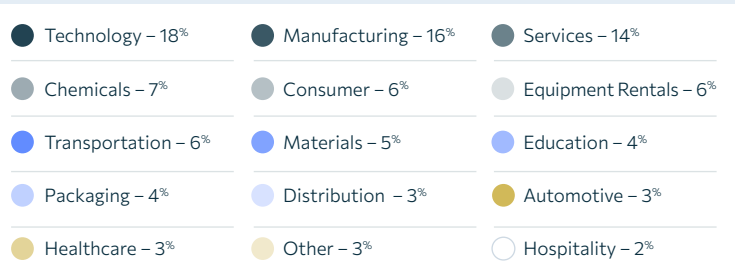
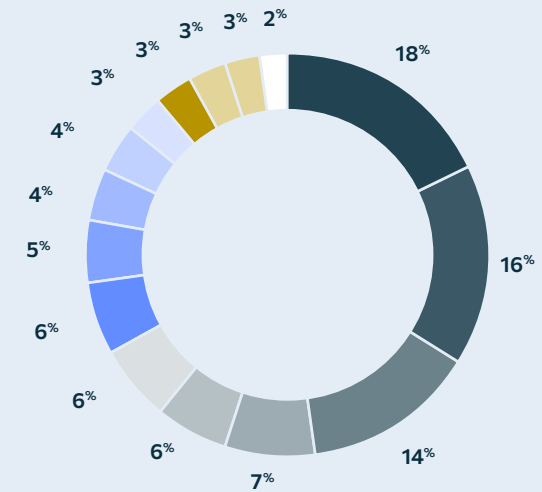
Employees

50+

Portfolio companies across more than 15 industries

\$94B+

Aggregate revenue



*All data is as of December 31, 2022, except assets under management (AUM) and sector weights, which are reported as of March 31, 2023.

Our M&A&O Strategy

Mergers. Acquisitions. Operations.

Our M&A&O investment strategy has been developed and refined by Platinum since the earliest days of the firm. We believe this approach, which integrates a comprehensive proprietary operations playbook into the investment process, delivers substantial operational value throughout the lifecycle of an investment.

M&A&O is executed by a large in-house team that includes, in addition to traditional M&A and transaction execution resources, more than 75 experienced operations executives with hands-on expertise and real-world experience across a wide range of operational disciplines.

M&A&O helps Platinum:



Perform extensive and highly granular pre-acquisition due diligence



Identify risk factors and ESG considerations early in the screening and evaluation phase



Support management teams in formulating and executing operational improvement plans



Monitor and measure our progress



Provide resources and expertise necessary to adjust when needed

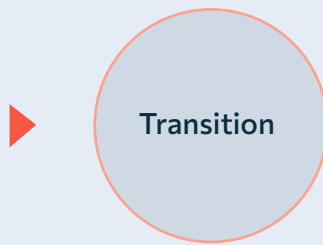
ESG Across the Investment Lifecycle



Investment

M&A Execution alongside **M&A Operations** team conducts ESG due diligence to identify risks and value-creation opportunities and prepares ESG assessment

Investment Committee reviews and approves deal



Transition

M&A Operations prepares the ESG Scorecard, coordinates with **Portfolio Operations** team to handoff ESG-related issues

The **Portfolio Operations** and **M&A Execution** teams work with **leadership at the portfolio company** to set strategy and goals around ESG



Stewardship

Company leadership and the **Portfolio Operations** team implement operational improvements, report on key metrics

For each portfolio company, the **Operating Council** convenes quarterly or at annual meetings which include review of the ESG Scorecard



Exit

Operating Council reviews ESG progress at portfolio company during holding period

2022 Highlights From Our ESG Program

Platinum Corporate

FIRMWIDE

All investment professionals have completed ESG training



Hired our first Head of ESG and Sustainability



Hired a new Head of Human Capital



Brought our first Chief Information Security Officer in-house

Investment Diligence

100%

of Platinum-led acquisitions underwent ESG diligence as part of the Investment Committee review

45+

ESG levers assessed in diligence as part of the operations playbook



Onboarded new climate change data provider and licensed SASB standards to support diligence

Portfolio Operations

100%

of portfolio companies implemented ESG program initiatives*

100%

of portfolio companies reported ESG metrics to Platinum Equity**

92

ESG data points collected as part of Portfolio Operations**

*Refers to Platinum's portfolio company ESG program management, applicable to all active majority-owned companies.

**Refers to Platinum's portfolio company ESG data and metrics, applicable to all active majority-owned nonpublic companies.

Our Evolving Approach to ESG in the Portfolio

ESG is an evolving discipline. As with any emerging field, it is important to listen, reflect and react as demands change. Therefore, we continue to refine our program to focus on outcomes and invest in our processes so that they can evolve accordingly.

The foundational components of our process include:

- How ESG fits into our M&A&O investment strategy
- The human capital and governance structures we have put in place
- How our playbook has evolved to reflect and codify our evolving approach
- The various resources and partnerships we leverage in this work

This report includes a selection of case studies to spotlight valuable work at the operations level in some of our portfolio companies. It also includes a corporate view from Platinum Equity with respect to continued extension and expansion of our ESG program.

Recent ESG Developments at Platinum

From our founding, core elements of ESG have always been part of our investment process, including environment (E), human capital (S) and legal (G). Over the past five years, we have codified and expanded our program, added resources and achieved important milestones, including:

2023

Newly created role, **Head of ESG and Sustainability**, filled by Drew Schechtman

2022

"6.0" playbook module is updated and expanded to encompass 45+ ESG levers to optimize operational strategies for value creation

2021

Platinum Equity becomes a signatory to the **Principles of Responsible Investments (PRI)**

Platinum expands and standardizes the list of **ESG KPIs** requested from all portfolio companies

2020

ESG Scorecard introduced as a component of due diligence and post-transaction transition to Portfolio Company Operations

2019

Multidisciplinary **ESG Working Group** is established to oversee firmwide ESG policies and initiatives



ESG Program Leadership

Platinum Equity's commitment to ESG starts at the top with CEO Tom Gores and the firm's leadership team, who collectively manage all aspects of the firm's investment activity from sourcing and diligence to transformation and exit.

We know from experience that good investment outcomes can be enhanced by good understanding and management of ESG issues. Consequently, those issues have long been linked to our investment process. We don't pursue ESG outcomes in a vacuum, but rather to ensure that ESG-related costs are mitigated and ESG value is realized.

The leadership team is advised by our ESG Working Group, which is responsible for Platinum Equity's ESG strategy,

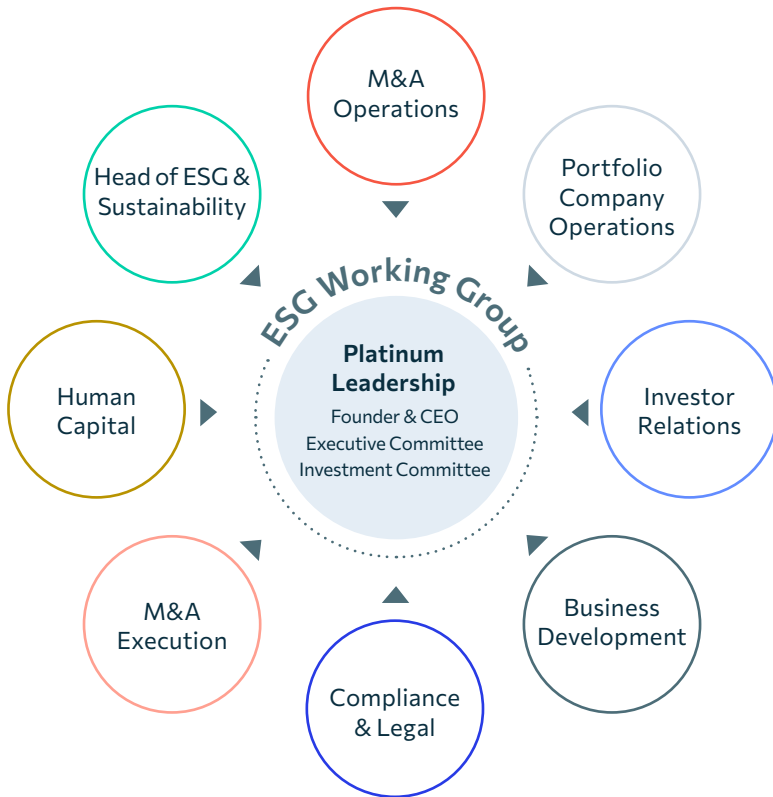
integration, and reporting initiatives both at the firm and portfolio level. This group is central to the delivery of our ESG program and comprises a broad, cross-functional team of subject matter experts.

For the last several years, the ESG Working Group has been led by Partner Stephanie Barter, who is Global Head of M&A Operations and a Platinum Equity veteran of more than 25 years.

In 2022, Platinum created a new role to help lead the firm's ESG efforts and began a search that culminated in the hiring of Managing Director Drew Schechtman as Platinum's first Head of ESG and Sustainability in early 2023. Drew reports to Stephanie and has assumed day-to-day responsibility for leading the ESG Working Group.

The ESG Working Group comprises an interdisciplinary team of subject matter experts.

It includes representatives from across the firm:



Each contributing subject matter expert supports sustainability issues within their respective discipline and works with each of their teams to ensure that our ESG standards are embedded in the work conducted across the organization and that tangible connection to investment outcomes is well understood.

Relevant ESG topics are reviewed and discussed during leadership meetings, operating council and audit committee meetings, portfolio company GC/CFO conferences, and internal Platinum Equity Operations conferences.



“Platinum has a long history of being committed to creating value through sustainability efforts. I’m excited to continue to advance those efforts and deliver positive outcomes.”

Drew Schechtman

Head of ESG and Sustainability

Drew Schechtman joins Platinum as Head of ESG and Sustainability

Drew joined Platinum earlier this year as the firm’s new Head of ESG and Sustainability. He is helping advance ESG strategies across the firm’s corporate operations, investment teams and portfolio companies.

Drew brings 15 years of experience leading ESG and sustainable investment programs and strategically driving corporate responsibility efforts.

Value Creation and ESG: Our Expanding Operations Playbook

Since the inception of the firm, Platinum has been developing and expanding an operations playbook that is customized for every investment and is fundamental to our value-creation process. These workstreams, what we refer to as “OPS 1.0–6.0,” ensure that we organize change management programs in a way that is impactful, scalable and repeatable. The process and the results are memorialized and shared throughout the firm, creating a knowledge base of best practices that is constantly evolving.

How ESG Is Integrated at Every Level

Core principles of ESG have been embedded at every level of our playbook and are vital to its continued evolution. The most recent creation and expansion of OPS 6.0 is helping standardize our ESG risk assessment and value creation toolkit.

Operations 1.0

Culture, Intensity, Cost and Balance Sheet

In our entry level playbook, we focus on best practices in organizational setup. Here Governance will take center stage as we establish checks and balances, audit committees and create accountability in organizations.



Operations 2.0

Operational Excellence and Merger Integration

In our operational excellence library, we focus on “how” the business performs its tasks. This brings manufacturing, sourcing, logistics and asset optimization to the forefront which makes this lever heavily correlated to ESG improvements. All our work around improving occupational health and safety practices, environmental operations, the cost or eco-consciousness (air, energy or water management) with which we produce products and services, and the focus on a resilient and responsible supply chain have been built into this playbook.



Operations 3.0

Growth

In our commercial lever library, we focus on pricing and profit maximization, salesforce effectiveness and helping firms find and build new products or enter new markets. 3.0 is a workstream where we have found significant ESG opportunities in the form of reshaping, reforming or developing markets for a new segment of customers who are focused on products with purpose. We help companies rebuild their products moving away from fossil fuel dependencies, achieve sustainability goals and remove harmful products from their inputs or ingredients to connect with new customers.



Operations 4.0

Digital Transformation

In our digital lever library, we help companies connect with their customers, optimize operational decision-making and innovate their products and services. Firms are also able to utilize data-driven decision-making to optimize production or the development of new products or services with their eco-footprints in mind. We also ensure that as a firm's technology dependency grows, they raise their capabilities around cybersecurity and data privacy to ensure their employees, customers and suppliers are protected.



Operations 5.0

Human Capital

In our Human Capital Management (HCM) library, we focus on helping companies improve their operations to ensure that they build an empowered, agile and resilient workforce. This workstream covers various elements of our Social agenda focused on diversity, equity and inclusion (DEI) and the well-being of our employee communities. Our programs cover securing a capable and committed management team and a diverse, safe and engaged workforce.



Operations 6.0

ESG

Over the years, components of ESG have been integrated in the first five modules of the playbook. Energy consumption, for example, would factor into cost (1.0) and operations (2.0) for an energy-intensive business like a steel manufacturer. Environmental liabilities would be a matter of operations (2.0), as well as governance and culture (1.0). As such, ESG issues have previously been addressed across the other five modules as appropriate. 6.0 is the most recent addition, launched to standardize our ESG risk assessment and value-creation process.

As we progress, so do our toolkits. This past year, we revisited OPS 6.0 to conduct a full assessment of best practices. We fueled our innovation process with learnings from many internal and external partners.

The result was an expanded ESG framework spanning six subject areas that help our teams focus on the most important elements of each opportunity, incorporating the relevant factors.



A Deeper Dive on the 45+ Levers in OPS 6.0

Climate & Nature	Resource Use & Waste	Circular Economy	Supply Chain Responsibility <small>(Supplier Engagement)</small>	Social Equity	Governance
GHG (Scope 1,2 & (if possible) Scope 3)	Resource Usage / Efficiency	Life cycle assessment	Sustainable sourcing practices	Responsible Hiring	Code of Conduct
Climate change impact on the company (scenario based)	Waste Byproducts (incl. Hazardous)	Sharing / resale / rental	Impact Mitigation	Equitable promotion & evaluation practices	Mission Statement
Analysis of target's commitment, if any (e.g. Net Zero, SDG, etc.)	Waste Generation, Recycling	Virtualization	Sustainable sourcing practices	Workforce	Fair Competition & Anti-corruption
Carbon trading/credits	Air Quality, Noise & Dust pollution	Repair, remanufacture	Supplier Engagement	Employee benefits	ESG Governance Policy
Impact on nature	Pollution prevention and control	Take-back programs	Supplier Development	Occupational H&S	Operating / Reserves / Audit / Compensation Council
	Eco Infrastructure (e.g., LEED)	Recyclability / biodegradability	Supplier Diversity	Human rights	ESG-related sector associations, partners, alliances

Sustainable sourcing practices

LEVER	IMPACT ACROSS BUSINESS					EXAMPLE VALUE CREATION OPPORTUNITY	EXAMPLE APPROACH TO QUANTIFY
	Revenue	COGS	OpEx	Working Capital	Balance Sheet		
Sustainable sourcing of raw materials		✓				<ul style="list-style-type: none"> Reducing cost of raw materials from sustainable sourcing e.g., recycled resin vs virgin resin 	<ul style="list-style-type: none"> Identify major raw materials and determine cost per unit for each input accounting for 70-80% of total raw material spend Compare to market benchmarks and add in any adjustments e.g., transport and logistic costs and multiply by LY volumes to determine savings. Apply addressability of 50-80% based on expert/management input

Our revised 6.0 module reinforces the notion that our ESG program’s goal is to use our tools and expertise to support our portfolio companies to do better: increase revenue, be more resilient and generate value. Our work to expand and formalize our thinking in the 6.0 module brings standardization and the current perspectives into our framework.

The 6.0 playbook guides the team’s ESG assessment starting with due diligence and ending with an exit from Platinum’s portfolio. Once an investment is made, the M&A Operations team produces an ESG Roadmap for the handoff to the Portfolio Operations team, who then create a scorecard. From there, Portfolio Operations is coordinating with the company’s management team and engaging all the specialized functions to assist management in translating those ESG insights to strategies and tactics in the company’s Annual Operating Plan (AOP).

“6.0 is an important update to our framework, and the work to produce it was a collective effort by our operations professionals. We have always believed the value-creation side of ESG presents a significant opportunity for investors.”



Robbie Reynders
Principal, M&A Operations

Platinum's Industry Engagement

In an evolving discipline like ESG, it's critical to engage with peers and other resources to stay informed on best practices and to contribute to the ongoing conversation on specific issues. We engage with the industry on a number of fronts.

Our Commitment as a PRI Signatory

We believe that the Principles for Responsible Investment (PRI) are aligned with our philosophy and practices, and we became a signatory of the PRI in 2021. As a signatory, we formalized our commitment to the six principles. We are also responsible for annual reporting to the PRI, a process we will begin for the first time in 2024. PRI was convened by the UN to support the collaboration of institutional investors in creating a framework for responsible investing, and we believe the framework is oriented to positive long-term outcomes for beneficiaries.

We believe that being a signatory is an important commitment to our responsibilities on behalf of our investors.

Being a signatory gives us access to a suite of investor tools and connects us with the community of nearly 4,000 other signatories. PRI moderates a collaboration platform, hosts events and workshops for signatories, and offers a data portal where we can download reporting data from peers. We believe participation can help us identify value-creation opportunities in our diligence process and ownership activities through education, thought leadership and access to additional resources.

The 6 Principles of PRI

Signatory of:



1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress toward implementing the Principles.

Source: unpri.org

The Role of SASB Standards in Our Process

The integrity of reporting depends on accounting standards, and we continue to rely on the SASB Standards for guidance on best practices when it comes to measuring and reporting on ESG matters at the portfolio company level. SASB Standards are published by the International Sustainability Standards Board (ISSB).

SASB Standards span six disclosure topics and 13 accounting metrics across five zones of sustainability: environment, social capital, human capital, business model and innovation, and leadership and governance.¹ For the 77 SICs-classified industries, there are 444 disclosure topics and 981 accounting metrics.²

SASB Standards are beneficial because they are industry-specific yet establish a common language across the global community. Importantly, SASB Standards are also rooted in financial materiality – they seek to represent issues that do or could have a material financial impact on a company or organization.

Standards, Vendors and Other Industry Tools

- PRI signatory resources
 - SASB Standards licensed research and tools
 - ESG consultants and industry experts
 - Climate change tools
 - Reputational risk tools
 - Legal ESG expertise
-



“At Platinum, our operational diligence is key to our value proposition. We have made a significant push in recent years to incorporate ESG more comprehensively and consistently into our diligence, where appropriate, and at this point it is really a staple.”

Clive Harrow

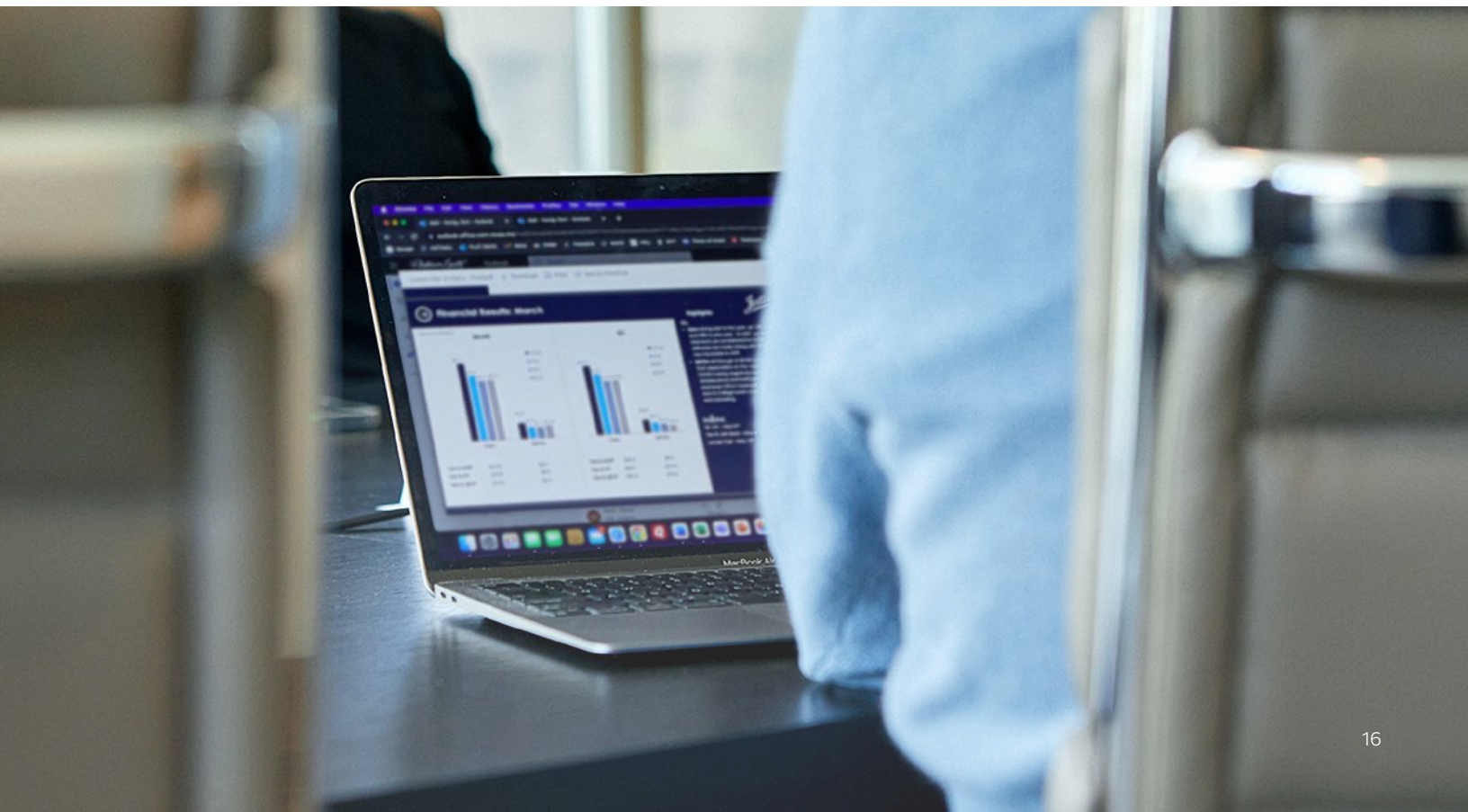
Senior Vice President, M&A Operations

Vendors and Other ESG Tools We Use in Due Diligence

We engage a range of vendors and partners in the due diligence phase when evaluating prospective investments, and that practice has expanded to encompass ESG issues in a number of ways.

We select partners that supplement our teams with unique knowledge for specific opportunities. We seek expertise to ensure that we are conversant in the niche topics that may impact the operations or financial conditions of companies including impending regulatory or transparency requirements, difficult operational challenges or detailed understanding of legal issues. We are pleased that our partners have stepped up to increasingly include ESG concerns in their purview, reflecting the broader trend toward embedding ESG into strategy, operations and financial reporting.

We also contract with other vendors to assess ESG metrics on potential deals. We use licensed tools to conduct reputational risk evaluations and climate-scenario modeling in relevant situations.



ESG at Work in the Portfolio

Accountability and evolution are embedded in the firm's core investment principles. Reflecting on 2022, we are proud of our progress in using data to drive improvements in our ESG and sustainability programs. With our dashboard in hand and our action plans in motion, we can see what more there is to do.

We are pleased with the leadership demonstrated in several of our portfolio companies who have a long history of addressing sustainability, creating value and driving positive outcomes. Some of our companies are earlier in their process or are less sophisticated, and they need more support in creating formal ESG programs. Platinum Equity aims to support every portfolio company in the way that makes sense for its specific situation, whether that is assessing the size of a new market, challenging it to address developing issues, or preparing it for the ESG-focused demands and opportunities of credit and equity markets, employees, customers and other stakeholders.

Last year included, for many companies, the first time we implemented ESG enhancements to our company-measurement program. For many of our portfolio companies, those measurements are already part of their essential reporting, but for others it was the first time they collected these elements.

The important thing about even first-time information is that it helps prioritize where to go next. As we build up data history over time across these measures, we will be able to better track year-over-year trends and strategize about initiatives.

Our selection of ESG metrics was influenced by the Institutional Limited Partners Association (ILPA) Data Convergence Project, ILPA's Diversity in Action, and the Sustainability Accounting Standards Board (SASB). Our ESG Working Group reviews our ESG metrics list annually.

“This work is about outcomes. When companies are improving efficiencies and meeting the changing demands of customers, they are on the path for positive outcomes. For us, sustainability is a top priority to improve investment outcomes.”

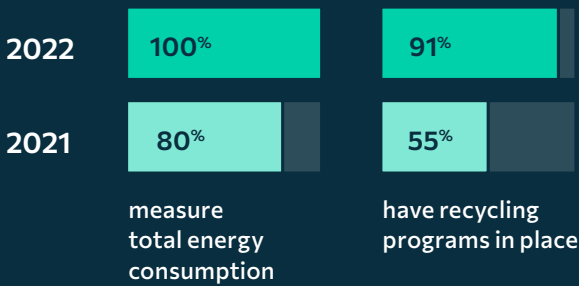
Renee Koontz

Managing Director, Portfolio Operations



2022 Portfolio Dashboard

Environmental

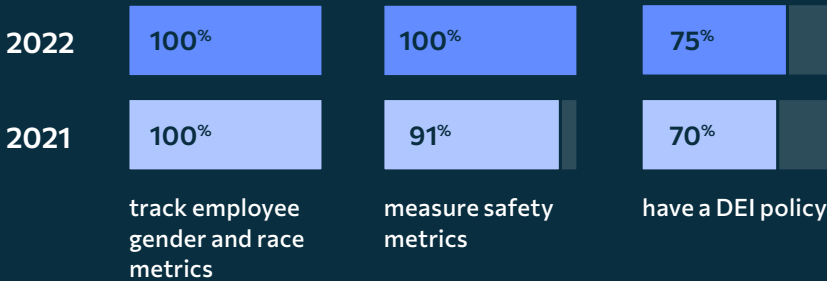


2022

82%

track Scope 1 and 2 greenhouse gas (GHG) emissions

Social



2022

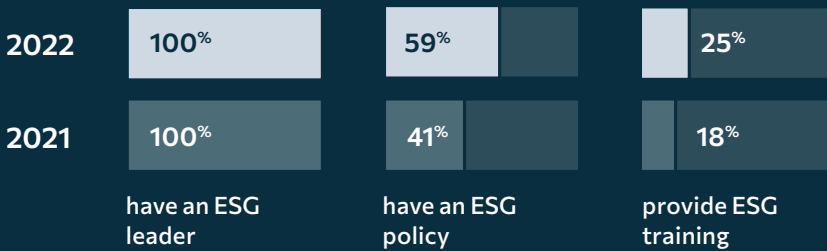
80%

conduct DEI and or sensitivity training

64%

conduct an annual employee survey

Governance



2022

98%

have a Code of Conduct

73%

have an ESG committee

93%

have a Whistleblower Hotline to report violations anonymously

A Sample of Our Key Initiatives in 2022



Environmental: Establishing a Baseline for GHGs



Doug Rodriguez
Portfolio Operations

“In 2022, we made important progress with our environmental efforts across our portfolio companies by engaging them to advance their understanding, tracking and reporting of their greenhouse gas emissions to create a comprehensive baseline. We remain committed to helping our portfolio companies create value by reducing costs and realizing efficiencies through their environmental stewardship activities.”



Social: Best Practices in Human Capital



Christopher Kim
Human Capital, Portfolio Operations

“Talent is an obvious component of human capital at portfolio companies, and we continue to apply resources toward finding the right leadership to bring transformative change to our investments. The other piece of the puzzle is a strategic approach to human capital on a broader level. We look at the holistic picture of each company’s human capital and look for tools – for instance, benefits and compensation – to fortify a business’s competitive edge.”



Governance: Prioritizing Cybersecurity



John Kalka
CTO of Portfolio Operations

“Cybersecurity was once just about preventing attacks, but things have changed. We have to put half of our focus on establishing strong protections and the other half on developing and testing a response plan. In today’s operating environment, cyber is not just about the liabilities – a leading approach is also a value driver.”



Environmental Case Studies

Environmental issues have surged to the forefront of ESG concerns for many companies, for a range of ethical, regulatory, business strategy and perhaps most urgently, operational reasons. As an operations-first investor, we are seeing firsthand how companies are contending with the environmental challenges in front of them.

We support our portfolio companies' efforts to understand and mitigate both the physical and transition risks of climate change. We reached critical new milestones in 2022: 100% of our portfolio companies measured total energy consumption, and 82% conducted Scope 1 and Scope 2 GHG accounting (these figures exclude companies that are publicly traded). We look to continue our journey with energy and GHG accounting and make continual progress with actions and reporting.

Just as important, we support our portfolio companies that are seizing opportunities related to the energy transition and decarbonization, as well as other environmental issues: ecological impacts, biodiversity, water usage, waste and pollution. A number of our portfolio companies have created solutions that address climate change and other environmental issues, and we will continue to support this important work in the years to come. Read on to see some of the innovative ways that these businesses are tackling these topics.



Efficient Resource Use

Solenis helps water-intensive customers trim their footprint and reduce costs

Solenis, a leading global producer of specialty chemicals, helps customers to optimize their industrial processes, driving environmental benefits – and often cost savings as well. For over 100 years, Solenis has been serving water-intensive industries such as mineral processing, fuel refining, power, pulp, paper and paperboard, and residential and commercial pool markets with specialty chemicals, equipment, and bio-based solutions. The company’s solutions are designed to help customers cut water usage, energy usage, waste and greenhouse gas emissions.

Platinum's Take

Increasing demand for ESG solutions was at the heart of our investment in Solenis. We pursued this opportunity because the company is so well positioned to serve the growing need for resource conservation across the industrial landscape. Our belief in the company’s growth prospects leads us to continue to invest in this business through add-ons.

In 2021–2022, Solenis partnered with a molded-fiber packaging maker to launch food packaging that is free of PFAS (per- and polyfluoro-alkyl substances, which are not easily biodegradable and are in some cases linked to harmful health effects).³ The material is used to make bowls, cups and egg cartons that are compostable and

biodegradable, using fibers that would otherwise be discarded as agricultural waste.

Other customer examples:

A paper packaging plant used Solenis’ Xelorex™ dry strength program to reduce the amount of fiber they needed to use by 97 metric tons per day. The upgrade reduced their CO₂e by 28,414 metric tons per year and drove cost savings of \$1.39 million annually.⁴

A petrochemical plant used Solenis’ corrosion and deposit inhibitors to improve the cleanliness of their water systems, resulting in water savings of 18,000 m³ per year, equal to 3,420 bathtubs of water.⁵ Each customer has its unique story of process optimization, and many of them involve a significant improvement in sustainability.



27,924 m³
per year

in water savings



Solenis earned a Platinum rating for corporate social responsibility (CSR) in 2022 and 2023⁶

3,003
tons per year

in CO₂e reduction at customer Wengfu Group of Guizhou Site, China, who was awarded the Solenis Sustainability Award for its verifiable gains in sustainability using a Solenis solution. The phosphoric acid producer used Solenis’ Zalta™ antiscalant program⁷



Solenis and molded-fiber packaging maker Zume launched a PFAS-free line of compostable food packaging including bowls, cups and egg cartons



Renewing Resources

Urbaser, making circularity real

Urbaser is making a major contribution in the drive to establish a circular economy. The Spain-based waste management company processes more than 35 million tons of waste per year across 19 countries. It continues to innovate in an effort to reduce the final environmental impact of waste. In 2022, Urbaser's efforts prevented 2.6 million tons of CO₂e emissions, the equivalent of 578,579 gasoline-powered cars driven for a year.⁹

Founded in 1990, Urbaser serves more than 70 million citizens across the globe. Their business includes urban cleaning, waste collection, treatment and valorization activities through 150 plants and a fleet of nearly 18,000 vehicles.

Urbaser sees circularity through two lenses. The first is to turn waste into resources through treatment and recovery activities. This requires mechanical, biological and chemical waste-treatment processes, and energy recovery, to recycle waste or recover it to create new usable resources, such as plastics, glass, ferrous materials, compost, energy or oils.

Through these processes, Urbaser also generates renewable energy from the waste that cannot be recovered, producing electricity or biogas both in valorization treatment facilities and landfills. The landfills are constructed with impermeable liners and degasification networks, which maximize the use of the biogas produced to generate electricity while minimizing biogas's harmful effects on the environment.

The second lens is the "how" element of sustainability. More than 30% of Urbaser's vehicle fleet is electric, gas

or hybrid powered.⁹ More than 60% of the energy Urbaser generates is renewable, and its purchase of renewable-source electricity grew by more than 30% in the last year.

Urbaser is embracing the rapid technological changes underway. In 2023, the company is in the permitting phase for an electric-vehicle lithium battery recovery and recycling plant – the first in the Iberian Peninsula.¹⁰ More change lies ahead, including biomethane production plants under development. Urbaser is positioned to lead the way toward achieving a circular economy.

Platinum's Take

We believe Urbaser is a global leader in waste management. For Platinum Equity, it's a continued priority to support the ongoing expansion of Urbaser's core treatment technologies, which are designed to deliver positive value in terms of circularity and critical social services.



~35M tons

of waste managed worldwide in 2022

2.6M tons

of CO₂e emissions avoided in 2022

2.8K GWh

energy generated

1.7K energy generated

from renewable sources



Preserving Natural Resources

Iberconsa continues to advocate for sustainable fishing practices

Iberconsa is a leader in sustainable fishing practices across Namibia, South Africa and Argentina, where the company is advocating for peer adoption of sustainability certificates. In late 2020, Iberconsa was awarded sustainability certifications by the Marine Stewardship Council (MSC) in the Namibian hake fishery, endowing nearly all of its hake products with the blue-checked logo that consumers are increasingly demanding.¹¹

Sustainability is not just ethically urgent; it is also a necessity for Iberconsa's continued operational success. It has also become an issue of urgency for consumers and retailers, who are increasingly seeking to purchase seafood that has received the blue check. Meanwhile, the MSC certification can be a long process – in fact, they began in 2008. The industry, supported by the management team, made the bold call to prioritize sustainability well before it was clear that it would become such an issue for consumers.

For fisheries pursuing the same path, the first stage is typically to launch a Fisheries Improvement Project (FIP), an interim level of improvements that put fisheries within reach of the MSC standards. As they seek MSC certification, they must satisfy three principles – sustainable fishing stock targets, environmental impact and effective management.

Iberconsa is currently supporting an FIP at its Argentine red shrimp fishing operations and is advocating for the same changes among peers as well. As shared users of a precious natural resource, they believe the industry as a whole will see better outcomes if all participants are working toward a shared vision of sustainability.

Platinum's Take

Iberconsa has a long history of responsible fishing practices. This approach continues to drive growth and is a key area of investment for Platinum Equity.

Sustainability certifications include:¹²



MSC Sustainable Fishing Certificate for the South African and Namibian fishing grounds for hake fishing



ASC Chain of Custody Certificate for certain species of catfish, salmon and mussels

MSC Chain of Custody Certificate for hake fishing, processing and distribution



Vehicle Electrification

Electric vehicles from Club Car help lower greenhouse gas footprint of businesses, golf and recreation

With its line of electric personal, golf and utility vehicles, Club Car can help resorts, universities, businesses and households to lower their greenhouse gas emissions. Club Car is the official Golf Car of the PGA of America and prominent at locations including TPC Sawgrass and TPC Scottsdale.¹³ The company is a leader in battery-powered low speed vehicle (LSV) production with over 70% of their current production dedicated to electric vehicles.

Club Car's fit-to-task vehicles are used by businesses and consumers for many purposes including last-mile deliveries and neighborhood commuting. In 2010 Club Car introduced the Visage fleet management system and, in 2018, they delivered their first line of zero-emissions lithium-powered electric vehicles.

As companies strive to minimize greenhouse gas emissions, Club Car's electric vehicles provide a valuable solution. For example, PostNord, a Nordic-based parcel and logistics company, transitioned almost half of its 12,000-vehicle fleet to electric vehicles, including 1,000 Garia models.¹⁴ Club Car acquired Garia in 2022, and now offers their models worldwide through Club Car's Urban platform.

PostNord uses electric vehicles for last-mile parcel delivery and logistics, highlighting the impressive performance of Garia models, particularly in the harsh cold of the Nordic region. This is significant as electric batteries typically experience reduced efficiency in cold

temperatures. PostNord's commitment to sustainability, coupled with their partnership with Garia, has helped them meet their carbon reduction goals.

Demand for no-emissions carts and LSVs is well established and growing quickly. As more resorts and households look to lower their environmental footprint, Club Car is ready with solutions.

Platinum's Take

Club Car is another investment where ESG initiatives are an important component of creating and driving value. We supported the management team's efforts to take a leadership position in their market through the add-on acquisition of Garia, expanding their EU footprint. We also partnered with them on changes to their manufacturing operations to address backlogs and increase production.

79%

of their current production is in electric vehicles

90+

models of no-emissions golf carts, utility carts and personal carts

1958

Club Car has been producing EVs since their founding



Industrial Electrification Opportunities

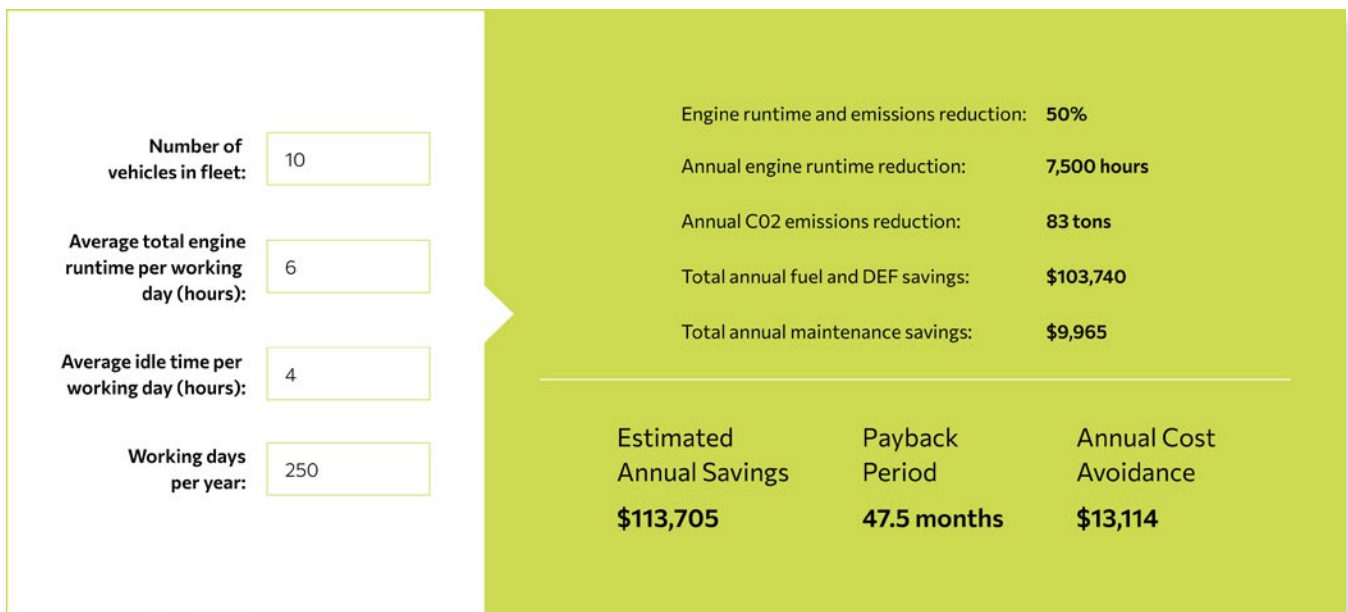
How Custom Truck One Source is helping users lower their Scope 1 emissions

Custom Truck One Source (CTOS) supplies and services specialized trucking equipment for utility, rail, telecom, infrastructure, forestry equipment and other specialty operators – many of whom are looking for ways to lower their Scope 1 emissions. With the 2022 launch of its Lightning PTO, CTOS is arming its customers with new technology to help achieve their goals.

A power take-off (PTO) is a crucial component of specialized trucks that need to source power for attachments and tools – cranes, booms, buckets on dump trucks, roll-off ramps, etc. In a traditional truck, the PTO draws power from the diesel engine, requiring trucks to idle for hours at worksites. The Lightning PTO uses a battery-powered electric motor, like an EV, for the auxiliary power. By turning the diesel engine off, the electric PTO reduces fuel costs and annual maintenance costs as the engine’s runtime is cut back. There are also key environmental and safety benefits to workers and surrounding communities – including 85% noise reduction. For example, idling diesel engines create high workplace noise, increasing the likelihood of accidents. These benefits are all in addition to the significant reduction in Scope 1 emissions that operators capture.

The push to develop an electric motor-based PTO came from CEO Fred Ross, who founded CTOS with his siblings in 1996. The company estimates that the total addressable market (TAM) for electric PTOs is essentially the same as the traditional specialized truck market. Indeed, they expect that trucking will turn electric like the market for smaller vehicles in time. In the interim, electric PTOs are a significant step toward lower emissions for customers.

Online calculator shows CTOS customers potential savings and GHG reduction¹⁵





Circular Economy for Electronics

A triple win for a customer's phone trade-in program operated by Ingram Micro

Ingram Micro, a provider of solutions and services at all stages of the increasingly complex technology lifecycle, closes the loop for circularity in the supply and demand of refurbished electronic devices, a more sustainable option for consumers.

When it comes to mobile phones, the manufacturing process accounts for the majority of the lifecycle carbon footprint — 81%, in fact.¹⁶ Most mobile phones have a useful life of four to seven years, but their “first life” is typically two years or less.¹⁷ Adding one more year to a phone's use could avoid up to 29% of associated CO₂e.¹⁸ Meanwhile, keeping phones out of

landfills prevents the toxicity and waste of their assorted — and highly valuable — components.

According to Ingram Micro, demand for second-life devices is growing rapidly as users face economic strains and rising eco-anxiety and awareness. As the historic solution of buying new raises more and more consumer questions, purchasers need a reliable second option.

For a leading mobile-phone operator in the UK, these reasons made an obvious case for establishing a used-phone takeback program, which would support sustainability goals while creating a refurbished-inventory pipeline for the operator.

A triple goal for Ingram Micro

In 2022, Ingram Micro took a major step to further solidify its ESG commitments by announcing a “10 to Zero” initiative. This initiative sets forth ambitious goals to achieve three major operational milestones — Zero Greenhouse Gas Emissions, Zero Waste, and Zero Recordable Safety Incidents — by 2030. It was announced alongside the launch of a new ESG program, IngramMicroESG, which was designed to improve the company's measurement, accountability and collaboration in impactful ESG-related areas, to help achieve strategic objectives.



They had device users ready to trade in their devices but were missing the expertise and infrastructure required. Ingram Micro bridged the gap, helping the UK operator to establish a buyback program for phones, tablets and device accessories, which quickly flourished.

In this UK example and other takeback programs, Ingram Micro enables circularity by extending the usable life of many technological devices through polishing, repair and refurbishment procedures. These processes make it possible for new consumers to use the devices, confident that an OEM-accredited center underpins the functional and cosmetic quality of the devices.

 Environmental

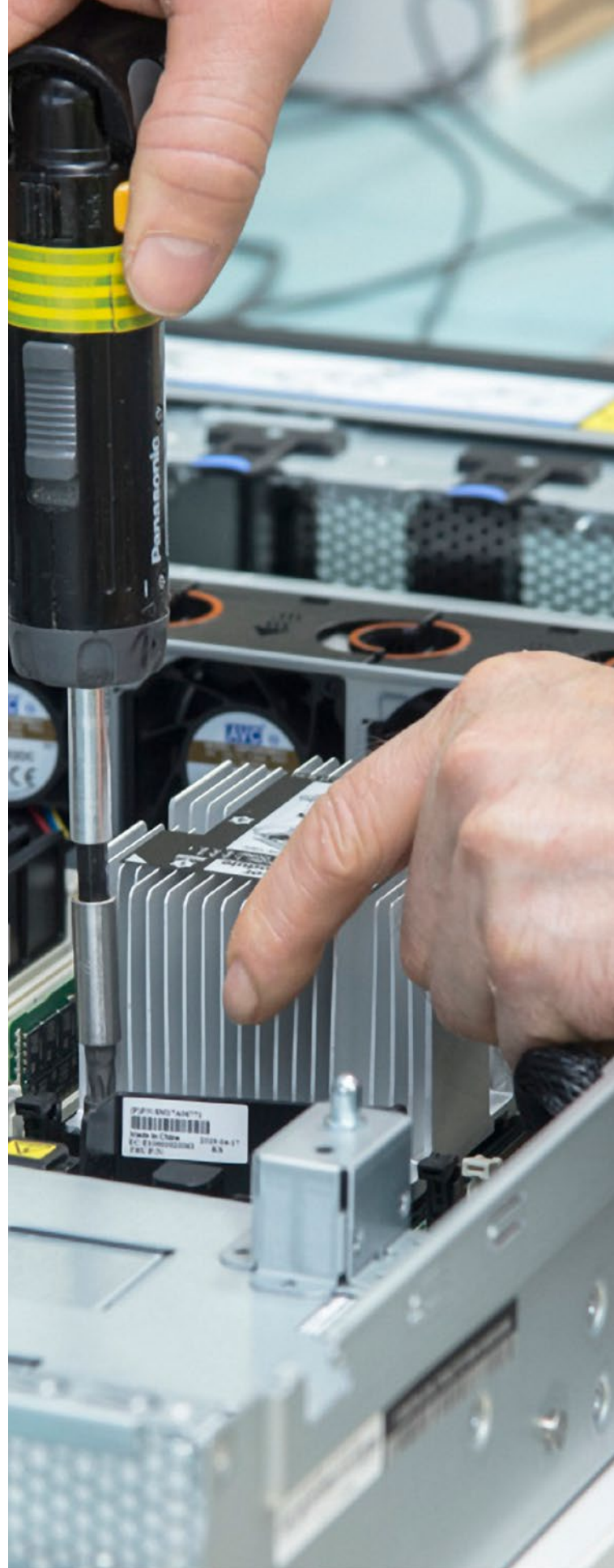
Ingram Micro handles and processes an average of 2 million technology devices at its Norwich, England facility every year, ranging from basic repairs of defective or damaged devices to complete refurbishments of pre-used devices. Approximately 20% of the handled devices originate from direct consumer buyback and trade-in programs that the company operates for customers. Ingram Micro sees a triple win – consumers get cash for their electronics, the operator gets a pipeline of refurbished inventory, and the environmental benefits steadily stack up.

2M

devices on average are processed through Ingram Micro's Norwich facility

~20%

of those devices originate from Ingram's customers' device-takeback programs





Social Case Studies

Platinum Equity recognizes that the way a company interacts with its employees and the communities it serves is a path to create value, mitigate risk and seize opportunities. We focus on a broad range of factors that impact employees, suppliers and the customers who buy our portfolio companies' products. We look to craft our social actions to align with dynamics that are important for each industry. For some, it's product safety. For others, it's worker safety or supplier responsibility. Across the board, we strive to uncover and facilitate healthy teams and cultures. Serving these constituents is key to making a business better.

We are striving for a best-in-class talent management program across our firm and our portfolio companies. We encourage our portfolio companies to focus on healthy cultures by understanding their demographics in relation to the communities they serve, in order to educate and operate their organizations to strive toward removing bias from their processes. As an example, 80% of our portfolio companies have completed DEI training across their employee base. We also dedicate resources and support portfolio company efforts with Employee Resource Groups, volunteer opportunities, employee benefits, and mentoring programs, all of which contribute to the advancement of human capital management and ensuring the retention of best-in-class talent.

Given the importance of social issues, we at Platinum and every portfolio company have an opportunity to do more – to be better, to ensure we retain market share, to attract the best talent and to retain the social capital to operate in our communities. All our portfolio companies have meaningful social programs in place that drive results. As you'll see in the examples that follow, our portfolio companies are pursuing many avenues to create value in addressing social issues.



Better Labor Practices

Hop Lun works toward “living wage” for all

Hop Lun reported that 92% of its employees were paid at or above “living wage” level in 2022, progressing on its goal to get 100% of employees up to a living wage by 2026. The company also prioritizes benefits and leave entitlements for workers in its Bangladesh, Indonesia and China-based factories. The maker of swimsuits, undergarments and other apparel puts worker treatment at the top of its social agenda.

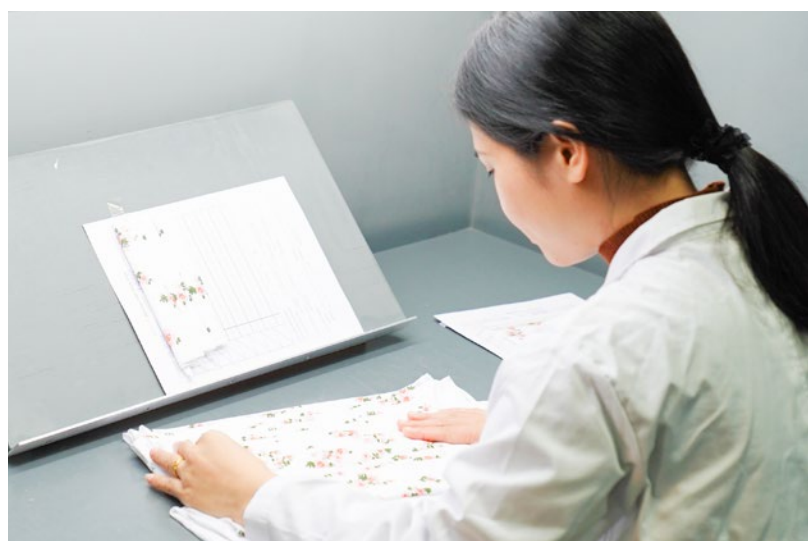
To calculate living wage, Hong Kong–based Hop Lun uses the Anker methodology.²⁰ This approach aims to match wages with the costs of maintaining a decent standard of living for a household. A decent standard of living includes food, water, housing, education, health care, transport, clothing and other unexpected needs, assuming a family of two parents and two children with 1.5 full-time equivalent workers.

Platinum's Take

We believe that many companies in the apparel industry don't treat their labor as an asset. However, from the first time we met Hop Lun, we knew they were different, and our diligence confirmed that. We view Hop Lun's labor practices as a key competitive advantage, supporting market share with brand owners who are increasingly prioritizing ESG issues. Platinum continues to support programs that improve employee conditions.

Worker benefits are another priority. The company offers leave entitlement, childcare, nutritious meals to workers during their shifts, primary medical care onsite at factories and other valuable benefits. The company also sees an opportunity in empowering women and developing their talent. Women currently hold 52% of supervisor roles, and the company aims to boost that figure to 65%, closer to the share of women employed at Hop Lun. Hop Lun's Higg FSLM score (a measure of social sustainability programs) rose by 5% in 2022.

Hop Lun believes that retailers and consumers are increasingly demanding sustainability credentials among brands and manufacturers, and it expects that trend to grow. Hop Lun is committed to being a leader in sustainability programs in the apparel industry.



5%

improvement in Higg FSLM score in 2022²¹

92%

of Hop Lun's apparel-factory associates are at or above “living wage”²¹

52%

of supervisors are women, up from 44%. Target is 65%.²¹



For exemplary practice embracing the Women's Empowerment Principles (WEPs) in Asia-Pacific

Won a UN Women's Empowerment Award, one of the top awards on Gender Equality by UN Women



Community Citizenship

Workplace supplies company, Winc, partners with First Nations Australians

Winc, one of Australia’s largest workplace-supply distributors, has a deep commitment to taking action to address the imbalance in opportunity for First Nations peoples. It does so by aiming to be an employer of choice for First Nations peoples and supporting the development of First Nations businesses — including a joint business venture with First Nations partners — a business called Mandura.

Government policies in Australia require that 3% of all Commonwealth (federal) contracts be awarded to First Nations businesses, as part of a national attempt to seek to address inequity. Many leading corporates in Australia have become signatories to an initiative called Raise the Bar, publicly committing to the same procurement targets along with other goals. The movement recognizes that

economic advancement is key to positive social change and equality for First Nations communities.

In 2021, Winc partnered with Roderick McLeod, a Senior Elder of the Jaithmathang Nation, to establish a company called Mandura. Mandura also offers workplace supplies to its own customer base with a completely separate governance structure and profit ledger. Mandura also produces its own branded line of furniture, office and cleaning supplies, and coffee. Twenty percent of Mandura’s profits go to the Pauline E. McLeod Foundation, established by Roderick in honor of his late sister who, like Roderick, was part of the Stolen Generation. Mandura is building steady momentum, boosted by the fast-growing trend among corporates and government agencies alike to direct more procurement dollars to First Nations—owned businesses.

51%

of Mandura’s equity is held by First Nations people, classifying the business as an Indigenous majority owned Tier 1 joint venture

20%

of Mandura’s profits go to the Pauline E. McLeod Foundation, which focuses on mental health, entrepreneurship, education and employment opportunities for young First Nations Australians

40+

Mandura-branded products are now shipping, sold through both Mandura and Winc





Mission-Critical DEI

Cision uses operational strengths to bolster its DEI efforts

To stay in tune with its 3,300 employees and 75,000+ clients, public relations software and services company Cision must be at the leading edge on trends surrounding diversity, equity and inclusion. As company leadership puts it, Cision needs to move “at the speed of social.” A culture of DEI is critical for attracting and retaining employees, and the company’s makeup and ethos must resonate with its global customer base.

In the last two years, the Chicago-based communications leader sought to upgrade its approach to DEI in a savvy way: using its own operational strengths. Three examples stand out:

Gathering frequent feedback about stakeholder priorities. In client work, the team at Cision is constantly gathering feedback to take the pulse of trends and viewpoints. They applied that same process to their DEI efforts, measuring employee attitudes and assessing their internal efforts to promote events or drive engagement.

Working with the existing ERG structure. Cision employees have a long tradition of running Employee Resource Groups (ERGs), voluntary associate groups of support and camaraderie. The management team saw an opportunity to provide more support to the ERGs, appointing facilitators for each group and promoting engagement to make the ERGs even more inclusive and productive. The ERGs increased the number of events they hosted in 2022 and there was higher employee attendance across events.

Fostering conversations about emerging issues. With high-stakes and controversial social issues driving culture, the company saw that they needed a way to engage employees and address tough topics. They launched the Social Impact Forum, an internal series for learning, discussion and action. On issues like women’s reproductive rights in the U.S., the war in Ukraine and rising gun violence, Cision brought in subject matter experts and organizations to facilitate conversation and action.



2,600 employees attended DEI events, in-office gatherings, and trainings in 2022²²

37%+ increase in the number of DEI-centered events hosted by ERGs²²



Gender parity in its U.S. leadership team (director and above)²²



Supply Chain Responsibility

Mad Engine uses its position to secure suppliers with better working conditions

Mad Engine sits squarely in the middle of the apparel industry value chain and treats its position as an opportunity to strengthen sustainability in multiple directions. The California-based apparel company makes clothing and accessories for licensors like Disney, Pokemon and Coca-Cola, selling to retailers like Walmart, Amazon and Abercrombie & Fitch. The company is a certified member of the Sustainable Apparel Coalition (SAC). SAC is the organization behind the respected Higg Index, the industry-standard tools for measuring apparel-industry factory-level environmental scores, labor and employment scores, and more.

Mad Engine’s upstream efforts are well established. For many years, the company has relied on supplier audits to ensure that factories are complying with labor laws and working conditions. Audits are conducted at the time of onboarding and annually thereafter, and Mad Engine has the right to require corrective and preventative actions (CAPA) or to terminate the agreement. The company works with a small group of certified auditors that meet established criteria.

Mad Engine is also using its supply-chain position to urge downstream peers toward progress on environmental issues. Mad Engine and other industry peers are pursuing discussions with big-box retailers to establish textile recycling programs for consumers — like the takeback program it just established for its own Neff and LRG-branded apparel. The program offers apparel discounts to customers who mail in used Neff and LRG textiles, which are then processed through a recycling partner. In business since 1987, Mad Engine knows that

strong relationships are the key to staying ahead in a competitive industry. The company is leaning on those relationships to meet social and environmental goals in the production process.



Earth Day 2022

Launched a textile takeback program for its branded lines Neff and LRG²³



Voted a “Giga Guru” among Walmart’s suppliers

Won the 2022 Apparel Supplier of the Year Award by Walmart Canada

Won the 2022 Vendor of the Year Award from Target

From 31 to 0

Negotiated requirements for excess samples, known as “contractuals,” from a typical 5–31 pieces down to 2, 1 or 0 pieces with some of its biggest licensors, reducing textile waste and emissions



Inclusive Products

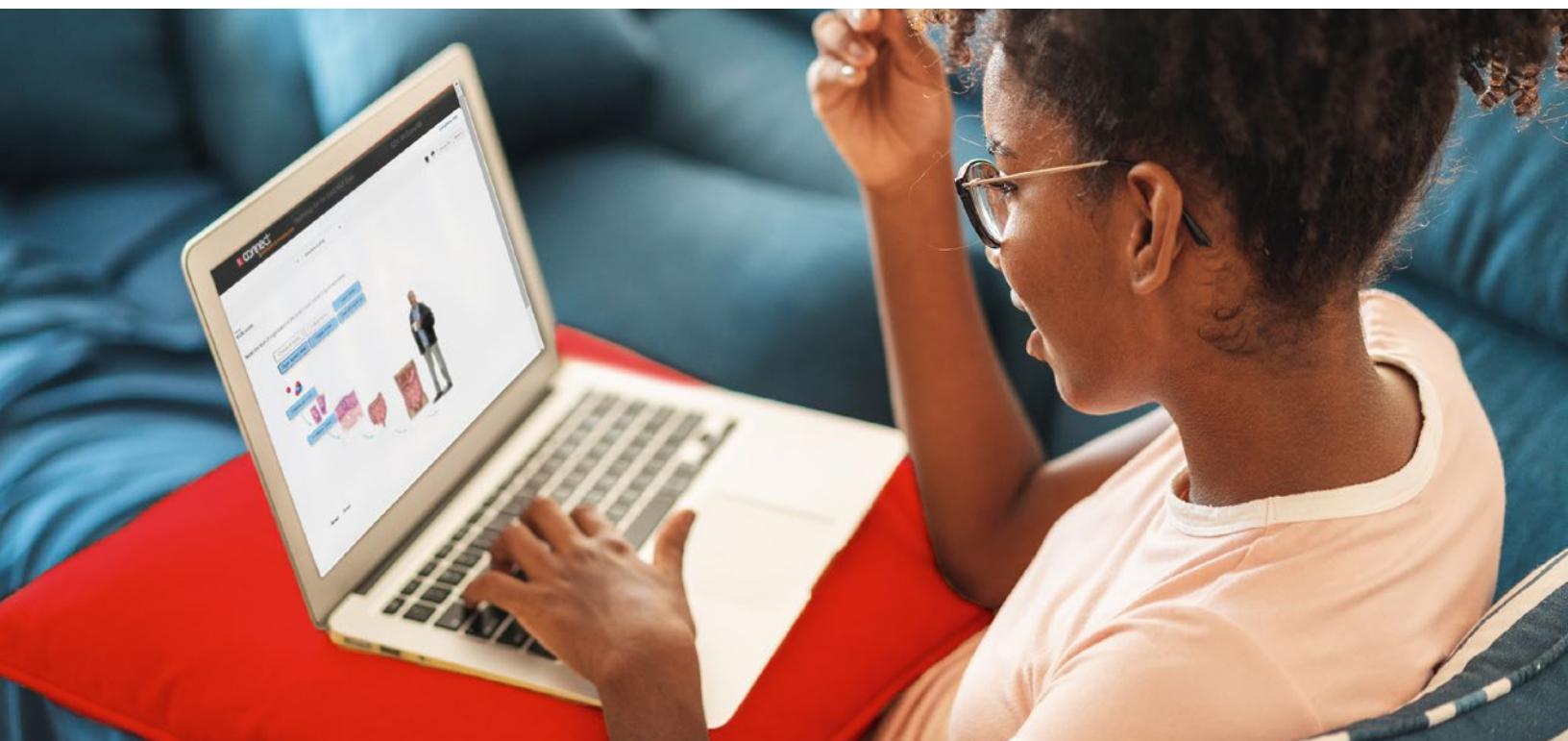
Accessibility is both a social and a strategic initiative at McGraw Hill

McGraw Hill has a mission to unlock the potential in every learner. It's not just a corporate strategy; it's inherently a social initiative as well. When successful, McGraw Hill's work is closing equity gaps while building the company's financial success through educational programs that support all students and can particularly bolster performance among disadvantaged groups.

Educational outcomes continue to face large gaps across racial, gender and other demographic measures. The COVID-19 pandemic only exacerbated many of these challenges. For instance, consulting firm McKinsey found that in math, students in Black-majority schools were a full 12 months behind peers in white-majority schools after the pandemic; before the pandemic, the gap was nine months.²⁴ More broadly, gaps persist across demographics on measures like college enrollment and graduation rates, grades earned in classes, and student loan burdens.²⁵

McGraw Hill invests heavily in solutions that put accessibility at the center of program design and sees three kinds of accessibility driving improved outcomes and closing equity gaps:

Access through affordability. McGraw Hill offers a program called Inclusive Access to colleges and other institutions. The program, designed by institutions and guided by the Department of Education to ensure that course materials are financial aid eligible, delivers digital learning resources to students on or before the first day of class, significantly lowering the cost to students and improving overall engagement with course materials.



As a result, students save on their class materials, and grades improve on average. Copiah-Lincoln Community College in Mississippi found that its students saved \$1,400 per year on average through Inclusive Access. Maysville Community and Technical College in Kentucky reported that 21% more students earned C-grades or better with Inclusive Access.²⁶ A similar study of community colleges in the Northeast showed that Black students demonstrated the highest improvement rates when using Inclusive Access.²⁷

Access through personalized, interactive education technology. McGraw Hill’s learning platforms are deploying artificial intelligence (AI) and other tools in an effort to make each student’s engagement with materials increasingly customized and adapted to their unique knowledge level and learning style. McGraw Hill’s offerings include a number of platforms that deliver personalized learning experiences, such as Connect, Sharpen, McGraw Hill Plus for PreK–12, and ALEKS. The ALEKS program, for instance, uses machine learning – a type of AI that can improve learning outcomes for students by determining what they know and what they are ready to learn next. After implementing ALEKS Math in fall 2021, Arizona State University’s ASU Online program saw an 11% increase in students who received a C or better compared to the previous semester.²⁸

Access through product design that makes learning accessible to students of all abilities. McGraw Hill’s comprehensive accessibility strategy, from planning and research through employee training and product development, prioritizes the interests of all learners as the company brings new educational content and technologies to market. McGraw Hill is committed to adhering to accessibility guidelines so that its products can be used just as effectively by learners with disabilities as by those without.

\$1.4K per year

how much students saved annually through Inclusive Access at Copiah-Lincoln Community College in Mississippi

11%

increase in students who earned C grades or better using ALEKS Math at ASU Online³⁰

20%

increase in Black students who earned C grades or better with Inclusive Access at a community college in the Northeast, compared with a 6% average improvement across all students²⁹



McGraw Hill won the 2022 Corporate Champion Award from the National Center for Learning Disabilities for its work to make learning materials accessible to students of all abilities³¹





Bolstering Safety

How Unical Aviation maintains a culture of employee safety

Unical Aviation has a strong record on employee safety, which it attributes to corporate culture. The company aspires to a zero total recordable incident rate (TRIR). Safety standards are set at the headquarters level to ensure that all operational units uphold the same culture and a shared vision for safety.

Unical Aviation is a supplier of aftermarket aircraft parts and components, with 1.3 million unique part numbers and 85 million parts in stock serving more than 3,500 aviation customers globally. With certifications from the FAA, European regulator EASA, and AFRA (Aircraft Fleet Recycling Association), Unical follows requirements outlined by regulators, including regular audits of its locations and safety procedures.

The company also notes that, beyond regulatory oversight, safety is a constant and critical consideration in its custom servicing work. As service providers of aircraft maintenance, repair and overhaul, the company is contending with daily safety challenges as employees remove, transport, repair and install the heavy, unwieldy components of aircraft. Each project presents unique logistics, requiring a custom plan of action to minimize risks while conducting the work.

Unical believes a zero-incident record is only possible when safety is ingrained in the culture of the workplace. Each of the company's locations has an appointed safety manager who works with site engineers to continually update safety procedures as workflow processes evolve. In recent years, safety governance has been enhanced with expanded tracking mechanisms and KPIs to bring more visibility across procedures and outcomes.

Unical views its safety record as a reflection of the company's broader dedication to best practices, which contributes to the highest quality standards. It's also

critical for operational efficiency, and workplace safety leads to better rates on benefits, lower absentee rates and lower worker-compensation expenses.



0.81

total recordable incident rate (TRIR) in 2022

Represents the number of recordable injuries per 100 full-time workers in a one-year period

4 years

without a recordable incident at Unical 145, a Unical subsidiary that provides maintenance, repair and refurbishment of aircraft components and landing gear

257

work days without lost time in 2022



OREGON TOOL

Community-Building Responsibility

How Oregon Tool gives back with disaster-response efforts

Chainsaw bar and chain maker Oregon Tool includes disaster response as a key pillar of its environmental and social programs, benefiting communities that suffer the devastating effects of natural disasters. With three dedicated trailers and a list of skilled staff who are ready to travel, the company mobilizes fast to help communities with recovery efforts after hurricanes, forest fires, earthquakes and other natural disasters. Teams are set up to donate work days and supplies to sharpen saw chains, repair chainsaws, replace bars and chains, and offer any other assistance they can.

The Portland, Oregon-based manufacturer sees the impact of natural disasters firsthand. In the Pacific Northwest, wildfires have become an annual threat, increasing in frequency and scope. Climate change has

generally impacted the pace of natural disasters. In the 1980s, there were 31 billion-dollar natural disaster events; in the 2010s, it was 128 (comparing U.S. dollars on an inflation-adjusted basis).³² With an outdoors-first culture in Oregon, the company has an employee base that is very invested in preservation efforts and passionate about disaster response.

The work is just one component of Oregon’s t.r.e.e. program, which includes initiatives on training (t), recovery (r), environment (e) and education (e). In launching the ESG program in 2022, the company reviewed its sustainability goals and its existing work across ESG issues. Disaster response has long been a passion for Oregon Tool team members and an active part of their community efforts where they operate. It’s also a practice that strengthens supplier and distributor relationships with many of those partners contributing to the same efforts, building trust as teams work alongside each other.

34

work days for trailers at disaster sites in 2022

3,676

chains sharpened

3

company trailers ready to respond to natural disasters like hurricanes, earthquakes and forest fires (in addition to being used at training/education events and trade shows)

1,613

saws repaired as part of disaster response efforts in 2022

<p>t TRAINING</p> <p>Providing hands-on training and instruction at retailers, educational fairs, and community events</p>	<p>r RECOVERY</p> <p>Devoting resources to support disaster response efforts in collaboration with our global partners</p>	<p>e ENVIRONMENT</p> <p>Maintaining the health and sustainability of landscapes around the world</p>	<p>e EDUCATION</p> <p>Investing in education so future generations can help make the world a better place</p>
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Source: Oregon Tool Website





Governance Case Studies

Governance is perhaps the oldest and most established pillar in the ESG framework. Capital markets have long demanded structure, transparency, controls and accountability, though it's worth noting that governance is still an area of opportunity, innovation and certainly risk.

Platinum Equity and our portfolio companies take governance seriously. Once a company is acquired, we further assess its governance to identify strengths and weaknesses. We then support the company in implementing or expanding its policies and governance processes, as appropriate. Such changes may include establishing delegation of authority to ensure cost and decision controls, implementing a whistleblower hotline, ensuring compliance with all financial covenants and establishing an Operating Council and Audit Committee for oversight across other financial and non-financial reporting structures and processes.

We also undertake efforts to guide our portfolio companies toward ESG-specific governance priorities, which can include Audit Committee oversight of ESG activities, the appointment of an ESG Leader, the creation of an ESG Committee, ESG Roadmaps and other support as necessary. Seventy-three percent of our portfolio companies have an ESG Committee and 100% have an ESG Leader in place. Where appropriate, companies have established related training and written policies.

Good governance goes hand in hand with good business decisions. We strive to reduce the threat of external and internal risks every day through these measures. But governance may deliver an even bigger benefit than just risk mitigation. When systems, processes, procedures, controls, transparency and accountability are put in place, they interact to create an environment of trust. In this environment, good businesses can thrive. Read more to see some of the governance initiatives at our portfolio companies.



Fostering Diverse Input

Aventiv builds an advisory board to inform continued social investment

In Platinum's ongoing transformation efforts at Aventiv, an advisory board created in early 2022 plays a key role in ensuring that the company incorporates diverse and experienced voices to better serve consumers and customers. Aventiv installed the advisory board as part of a comprehensive transformation to align business outcomes with the interests of all Aventiv's stakeholders, including the incarcerated and their families. In establishing the advisory board, governance was a top priority. The independence and integrity of the board is

Platinum's Take

Platinum supported the push to establish an advisory board and to implement the governance required to strengthen its role in company initiatives.

prioritized, allowing the board to make recommendations in the best interest of the company and its mission. Aventiv and its subsidiaries provide telephone, email, education, entertainment and security services to the corrections industry. The advisory board is currently made up of 11 members who represent criminal justice reform advocates, corporate executives, law enforcement and correctional leaders, employment experts and mentors, community advocates, and regulatory and legal experts, some of whom were formerly incarcerated. It is chaired by Teresa Hodge, a leader in criminal justice reform and entrepreneurship.

In designing the board structure and recruiting members, Aventiv brought in HP Global Advisors, a Black-owned corporate strategy and development firm. HP helped draft the board's articles of formation, set member term limits, and established appointment guidelines. It also conducted immersion training for all members.

The advisory board has already made significant contributions since its inception:

- Meeting quarterly, members offer input to company management on the topics of reentry, rehabilitation, education and security efforts. Aventiv management used their insights on matters across strategic priorities, events, products and partnerships.
- Advisory board members have led focus groups drawn from justice-impacted communities. This input has been used to enhance product offerings such as the addition of inspirational content created by formerly incarcerated people and made available to incarcerated individuals as well as their friends and families.

“This advisory board is incredibly important to changing the status quo because we understand how important it is to actually listen to diverse voices when addressing the problems in the system, and Aventiv is committed to listening to all of us.”



Teresa Hodge

Chair of Aventiv's Advisory Board
President and CEO of Mission: Launch
Formerly Incarcerated Executive
Named to the Forbes 50 Over 50 list of America's leading women executives and entrepreneurs

- Extending that concept, the advisory board sparked the idea for a “justice sandbox,” where digital tablet apps are created for the currently incarcerated by formerly incarcerated entrepreneurs. This allows the formerly incarcerated to benefit from the expertise they gained while in prison and provides content that resonates with those currently incarcerated to help set up for successful reentry. Currently two employment-oriented apps have already been added to the marketplace.
- Advisory board members have also facilitated important introductions to help the company hear directly from a broader range of stakeholder voices, and they attended legislative, advocacy and consumer-driven events.

As the criminal justice system evolves to emphasize rehabilitation and reentry, Aventiv aspires to be a leader in the diversified technology business that facilitates better outcomes for the incarcerated and their families.

11

advisory board members, representing a diverse cross-section of constituencies and communities

4x

quarterly board meetings to advise Aventiv leadership



Black-owned corporate strategy and development firm HP Global Advisors retained to advise the board-curation process





Cybersecurity to Support Growth

Awaze takes a proactive stance on cybersecurity

Awaze has established a robust approach to cybersecurity in recent years, advancing its practices to keep up with a business that has grown substantially through a number of acquisitions. The company's information security team has shifted from being in a reactive mode to being in a proactive stance, earning high ratings on outside assessments.

Awaze is one of the largest managed vacation rentals and holiday resorts businesses in Europe. The company was established when Platinum acquired a number of vacation

rental brands from Wyndham Worldwide in 2018. Awaze hired its first Chief Information Security Officer (CISO) in 2019, who set the strategy and direction for cybersecurity across the growing business, adopting the cybersecurity framework of the National Institute of Standards and Technology (NIST). Over the last three years, the team has established the fundamental structures they needed, including:

- Deployed unified tools and procedures.
- Established the controls, alerting and reporting mechanisms to monitor, detect and respond to threats.
- Implemented a program to ensure the consistent, robust detection and remediation of vulnerabilities.

In 2022, they established a new DevSecOps (development, security and operations) framework across their application-development process, incorporating continuous security validation and testing throughout the development lifecycle from product idea to application release. Addressing security early in the development process saves substantial time and resources, rather than having to fix security issues late or after launch.

“Platinum has been a helpful partner in terms of upholding the baseline tools and practices that each portfolio company must maintain and build on. We also value the Tech Implementation Council, where we meet with tech teams at other portcos to talk through issues and best practices.”

Jason Cornock
CISO, Awaze

“A” rated

assessment and remediation maturity from Tenable. The company earned As in its assessment and remediation processes, which reflect how effectively it is discovering and addressing vulnerabilities. The technology industry as a whole has a C grade.

“Advanced”

rating from Bitsight – Awaze holds a top score from Bitsight Security Ratings, which assesses one year of supporting data to evaluate an entity's cybersecurity posture.

Driving Progress at Platinum

Every year, we look to advance our own practices around Environmental, Social and Governance matters. The following pages share some of the exciting progress from 2022. ➔



Talent Management and DEI: Investing in Our People

Talent is the most important strategic asset for Platinum Equity as a firm. Our human capital philosophy is a reflection of our leadership culture: we want our practices to attract, retain, develop and promote the best talent in the industry. We believe that diversity, equity and inclusion (DEI) processes, when thoughtfully designed, help cultivate a richer pool of talent, become entrenched in the firm's culture, and serve to raise human capital management practices that benefit everyone.

In 2022, we launched an internal DEI Committee, comprising nine senior professionals representing multiple areas of the firm. The group's main focus is on (i) cultivating a richer pool of diverse candidates for open roles at Platinum; (ii) expanding the definition of diversity to ensure that our teams continue to reflect the non-traditional heritage of our firm — one where we are constantly looking for new avenues to find the best talent; and (iii) promoting an inclusive culture that ensures everyone benefits from our human capital management programs.

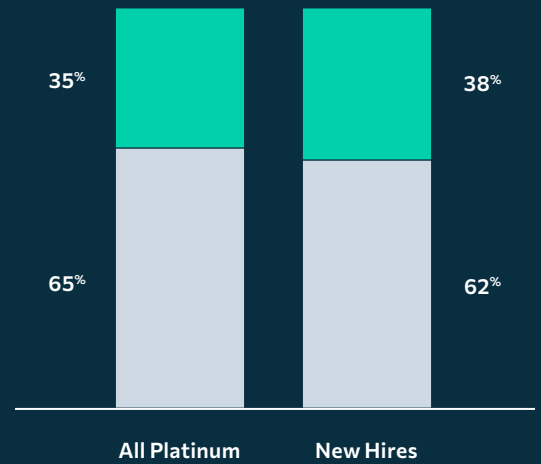
We are proud of the culture of Platinum today, but there continues to be an opportunity to advance our human capital approach. We are actively evaluating our practices and looking to incorporate the findings of data from emerging academic and industry research. The DEI Committee plays an active role in assessing different research and data sources to support efforts to critically examine our hiring and retention practices against workforce statistics. From there, we will continue to monitor these workforce metrics as part of our regular DEI agenda.

Platinum Equity continues to align with the Institutional Limited Partners Association (ILPA) Diversity in Action method of tracking, measuring and monitoring the diversity profile of the firm. ILPA's efforts are helping to drive consistency in how the industry at large measures diversity.

Increasingly Diverse New Hires

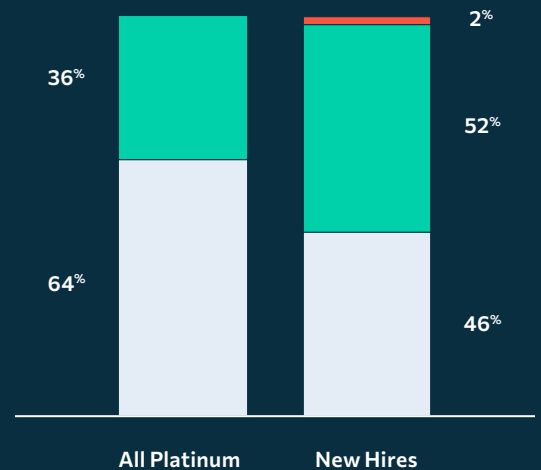
Gender

● Male ● Female



Ethnicity*

● White ● Diverse** ● Did Not Report



* Reflects U.S.-based employees and hires only.

** Individuals who self-identified ethnicity as other than White.

Our DEI Committee

The DEI Committee is a cornerstone of our efforts to foster diversity. This interdisciplinary group of senior leaders meets regularly to assess progress and initiatives in the firm's hiring and retention.



“Firm culture and well-designed human capital practices are all necessary factors for fostering diversity, equity and inclusion. We aim to lead the industry in our human capital efforts.”

Lindsay Calautti
DEI Committee Chair

**Lindsay Calautti, Principal,
Global Head of Human Capital**

Lindsay is responsible for the firm's human capital activities including recruiting, retention, training and professional development, and the employee experience. She also chairs the DEI Committee at Platinum.



Stephanie Barter
Partner, M&A Operations
Executive Sponsor



Stephanie Chapman
Managing Director,
Accounting



Alex Doñé
Managing Director,
Investor Relations



Christopher Kim
Principal,
Portfolio Operations



Matthew Louie
Managing Director,
M&A Execution



Drew Schechtman
Managing Director,
Head of ESG and Sustainability



Ryan Toteja
Principal, Associate
General Counsel



Delara Zarrabi
Managing Director,
M&A Execution

Data Privacy, Security, Governance and Compliance

Platinum is committed to the privacy, security and governance of our operational and financial data as well as personal data involving our employees, our investors and our business partners.

Practices and Procedures for Data Privacy and Security

Data privacy and security begin with policies and procedures. Our policies are designed to comply with data privacy laws in place in our relevant jurisdictions, including but not limited to:

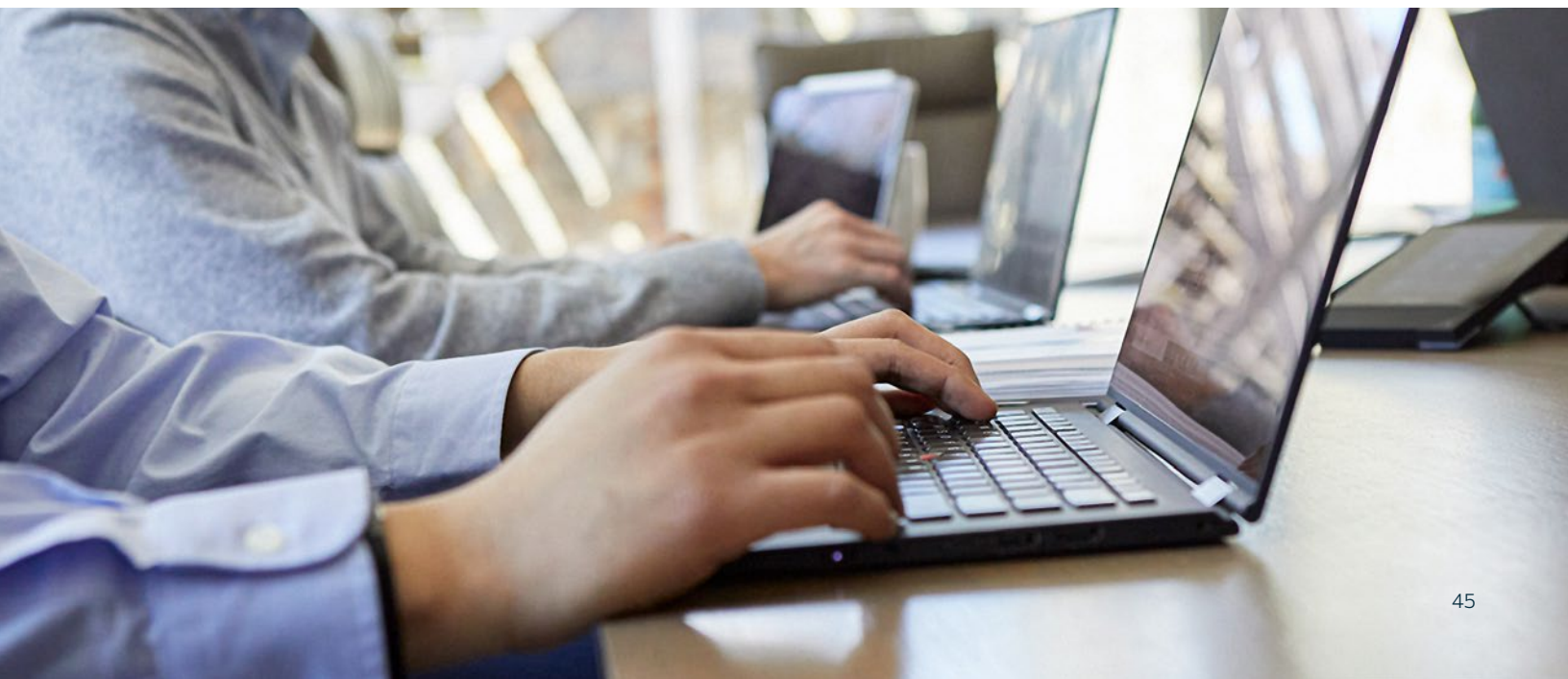
- The EU/EEA General Data Protection Act (GDPR)
- The Data Protection Act of 2018, the UK's enactment of GDPR post-Brexit
- The California Consumer Privacy Act (CCPA)
- The California Privacy Rights Act (CPRA)
- The Singapore Personal Data Protection Act (PDPA)



Data Privacy and Security Training

All Platinum employees cover data privacy and security in training at least annually:

- All new hires complete a GDPR training module
- All employees complete the required annual compliance training which includes modules on data privacy and security



Our Chief Information Security Officer

Platinum leverages vendors to support our firm's technology, and it's imperative that we vet vendors with a robust process to maintain the integrity of our data controls.

Technology to Support Our Efforts

Our program includes a strategic emphasis on end-user security – training and tracking our system's users to maintain the integrity of our protections. As part of this process, we conduct regular penetration testing, phishing tests, and annual audits regarding our threat response program.

Data privacy and security are quickly evolving fields and we expect that our practices and technologies will need to evolve and advance each year to keep up. We take a conservative stance and look to deploy all available resources to stay at the forefront of best practices.

Compliance

Compliance and other legal functions are a critical foundation for all our work. Platinum Equity's compliance program is designed to be comprehensive and address the scope and complexity of our business as well as the global regulatory landscape in which we operate. We are committed to conducting our business with the highest legal and ethical standards by actively promoting a culture of integrity among our employees.



“The commitment to data security starts at the top at Platinum. We take the precautions that we can to protect Platinum’s operations.”

Jamie Giroux

Chief Information Security Officer

Jamie, who has more than 25 years of experience in data security, has been with Platinum since 2020, first as a dedicated consultant and, since 2022, as our first in-house Chief Information Security Officer.

Looking Forward

Our efforts around ESG are ongoing. We've made great progress – and we know there is more to gain from continuing on this path. We see these efforts as a natural extension of our operations-first approach.

In 2023, our ESG priorities include:

- Engaging with our investors and other stakeholders to understand their evolving ESG priorities.
- Assessing and refining critical-incident processes, monitoring and remedial action.
- Assessing our ESG toolkit to find more levers for investment value creation.
- Further leveraging facts and analysis to guide our investment and operations decision-making.
- Monitoring and responding to increasing global ESG regulations.
- Improving collection, measurement and analysis of both company-level and portfolio-wide data, with an emphasis on quantifying how ESG programs impact investment value creation.
- Continuing to support ESG initiatives at our portfolio companies and Platinum corporate that drive value creation.
- Advancing Human Capital and DEI activities to drive value creation across Platinum Equity and our Portfolio Companies
- Further training our people and coordinating information, knowledge and resources across our portfolio companies.

We look forward to sharing updates on our continued progress in 2023.



“At Platinum Equity we are a team of doers – It’s part of our culture. When we look at our ESG journey to date, we see not only progress but also a real opening to do so much more that drives investment value. We are excited to take on the next challenges and opportunities as ESG evolves and as our approach evolves.”

Stephanie Barter

Head of M&A Operations

Important disclosures

The 2022 Environmental, Social and Governance Report (the “Report”) is provided by Platinum Equity Advisors, LLC (“PEA”, together with its affiliates, “Platinum” or “Platinum Equity”) for informational purposes only and is solely intended to provide an overview of the ESG processes and initiatives of Platinum and illustrate the ESG characteristics of certain of the portfolio companies of investment funds advised by PEA; it is not intended to describe the performance of any investment or company. In particular, the case studies presented in this Report are intended to highlight relevant portfolio company ESG characteristics or results and are set forth for illustrative purposes only. There can be no assurance that other portfolio companies will have similar ESG characteristics or results. This Report should not be relied upon for any other purpose and does not reflect all investments nor ESG initiatives made or expected to be made by Platinum. The Report does not constitute an offer or solicitation with respect to the purchase or sale of any security in any investment fund managed or advised by Platinum, including successor funds and co-investment funds that Platinum may raise in the future. Any reference or determination herein regarding whether an investment has produced, or is expected to produce, a positive social or environmental outcome is made in Platinum’s sole discretion. In connection with such determination, Platinum has and expects to rely to a large extent on, among other factors, the due diligence, reporting and other materials provided by consultants, accounting firms, portfolio companies and other third parties. There can be no assurance that Platinum or these third parties will accurately evaluate the potential or actual ESG outcomes of investments or that the investments will achieve the ESG outcomes as intended. Further, much of the information in this Report is subject to assumptions, estimates or third-party information that is still evolving, subject to change and which has not been independently verified. Many of the disclosures are based on standards that may change due to revisions in the framework requirements, availability of information, changes in our business or applicable government policies, changes in methodologies or updated data, or other factors, which may be beyond our control. This Report also contains forward-looking statements. All statements contained in this Report that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements regarding our future business expectations, our ESG goals, planned activities and objectives, our strategic priorities and objectives, as well as statements that include the words “expect,” “intend,” “plan,” “will,” “believe,” “estimate,” “may,” “should,” “anticipate” and similar statements of a future or forward-looking nature. These forward-looking statements are based on our current expectations. These statements are neither promises nor guarantees, but

involve known and unknown risks, uncertainties and other important factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The determination about what constitutes a positive social or environmental outcome is inherently subjective; what Platinum considers to be socially or environmentally beneficial may not necessarily reflect the views of all investors, and further, a focus on one or more ESG characteristics may come at the expense of others. Not all ESG metrics are applicable to Platinum or each company, and methodologies for measuring ESG metrics differ across industries and asset classes. While Platinum integrates certain ESG factors into its investment process in accordance with its ESG policy and subject to any applicable legal, regulatory or contractual requirements, there is no guarantee that Platinum’s ESG policy will be successful or that it will create a positive ESG impact. There are significant differences in interpretations of what positive ESG characteristics mean by region, industry and issue, and these interpretations are rapidly evolving. Platinum makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and nothing contained herein should be relied upon as a promise or representation as to past or future performance of any fund or any other entity. Certain information contained herein has been obtained from published sources prepared by third parties. In addition, certain information contained herein has been obtained from companies in which investments have been made by one of our prior investment vehicles and its affiliated entities. While such information is believed to be reliable for the purposes used herein, Platinum does not assume any responsibility for the accuracy of such information.

Data in this Report:

- Unless otherwise stated, all information presented in this Report relates to the period of January 1 – December 31, 2022, and any datapoints at a specific point are as of December 31, 2022.
- Information relating to portfolio company operations in the case studies has been provided by the relevant portfolio company and/or sourced from publicly available materials.

Notes

¹ <https://www.ibm.com/topics/sasb#What+are+SASB+Standards%3F>

² <https://www.sasb.org/wp-content/uploads/2022/08/Standards-1pager-2022-1.pdf>

³ <https://www.solenis.com/en/resources/news-releases/2022/solenis-zume-joint-partnership>

⁴ Solenis, 2022 Sustainability Report.
<https://www.solenis.com/globalassets/resources/sustainability--regulatory-library/220151-pc-2022sustainabilityreportwb.pdf>

⁵ Ibid

⁶ <https://www.solenis.com/en/resources/news-releases/2022/solenis-ecovadis-platinum>

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⁷ Solenis, 2022 Sustainability Report.
<https://www.solenis.com/globalassets/resources/sustainability--regulatory-library/220151-pc-2022sustainabilityreportwb.pdf>

⁸ <https://www.urbaser.com/en/sustainability/Gasoline-car-equivalent-measure-calculated-at-https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>.

⁹ <https://www.urbaser.com/en/sustainability/>¹⁰ <https://www.urbaser.com/en/sustainability/>

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¹¹ <https://cert.msc.org/supplierdirectory/VController.aspx?Path=9e3bd218-316e-4138-b1c3-a34c8faba917&pk=a4e8e08b-0f56-4954-821b-f8e97b0744cd>

¹² <https://www.iberconsa.com/our-values/>

¹³ <https://www.clubcar.com/en-us/our-company/news/club-car-renews-partnership-pga-of-america>

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¹⁵ <https://www.customtruck.com/lightning-pto/>

¹⁶ 2019 European Economic and Social Committee study: *Identifying the impact of the circular economy on the Fast-Moving Consumer Goods Industry*
https://circulareconomy.europa.eu/platform/sites/default/files/impact_of_ce_on_fmkg_-_mobile_phones_case_study.pdf

¹⁷ Swedish Environmental Research Institute: *E-waste and Raw Materials: From Environmental Issues to Business Models*
https://ewaste.education/pdf/E-M@S_IVL_emingbook_English.pdf

¹⁸ 2019 European Economic and Social Committee study: *Identifying the impact of the circular economy on the Fast-Moving Consumer Goods Industry*
https://circulareconomy.europa.eu/platform/sites/default/files/impact_of_ce_on_fmkg_-_mobile_phones_case_study.pdf

¹⁹ <https://www.showhouse.co.uk/news/over-half-of-consumers-consider-environmental-impact-of-a-property-before-renting-or-buying/>

²⁰ <https://globallivingwage.org/about/anker-methodology>

²¹ <https://www.hopplun.com/storage/app/media/images/Sustainability/Hop%20Lun%20Sustainability%20Report%202022.pdf>

²² <https://www.cision.com/about/diversity-inclusion/2022-dei-report/>

²³ <https://www.madengine.com/production/sustainability/>

²⁴ <https://www.mckinsey.com/industries/education/our-insights/covid-19-and-education-an-emerging-k-shaped-recovery>

²⁵ <https://home.treasury.gov/news/featured-stories/post-5-racial-differences-in-educational-experiences-and-attainment>

²⁶ <https://www.mheducation.com/highered/inclusive-access.html>

²⁷ McGraw Hill (2022). *Education for All: What It Takes to Get There [White paper]*.
<https://info.mheducation.com/affordability-white-paper.html>

²⁸ Ibid

²⁹ Ibid

³⁰ Ibid

³¹ <https://www.prnewswire.com/news-releases/ncltd-to-recognize-mcgraw-hill-as-corporate-champion-at-its-45th-anniversary-benefit-301670240.html>

³² <https://usafacts.org/articles/are-the-number-of-major-natural-disasters-increasing/#:~:text=Not%20only%20are%20natural%20disasters,critical%20reason%20for%20the%20increase>

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2022