

HONESTY IS THE FIRST CHAPTER IN THE  
GREAT BOOK OF WISDOM. INTEGRITY IS  
DOING THE RIGHT THING WHEN NO ONE  
IS WATCHING. STEADFASTNESS IS  
KEEPING COMMITMENTS TO EACH OTHER

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**ABOUT THIS REPORT**

We are pleased to publish our third annual environmental, social and governance (ESG) report. We share this report to provide greater transparency to our stakeholders regarding the progress and evolution of PPC and our operating companies’ efforts to build great businesses that effectively address modern challenges.

This report describes our guiding principles and primarily covers progress made since our 2021-2022 ESG report, which was published in November 2022. The content and data cover companies in which PPC exercises effective control. Unless otherwise noted, all data and figures are as of December 31, 2023.

# From Our Leaders

## Rapid developments in marketplace and regulatory landscapes increase the value of PPC's partnership model with our family of companies.

2023 was a year of rapid change, ranging from geopolitical risks, interest rate shocks and a near miss banking crisis to a digital technology revolution. These and other macroeconomic drivers have stakeholders more focused than ever on partnering with organizations that manage their assets and serve their supply chains in a transparent, responsible and strategic manner.

Experts continue to show how little we know about the future of the economy. As Warren Buffet said, "Predicting rain doesn't count. Building the ark does." As long-term investors, we do not pretend to predict short-term swings in the markets. We are here to partner with great management teams to help them build better, more resilient businesses that handle new challenges and turn them into opportunities to better serve their customers. As we see new risks and opportunities arise, we are here to pull the oar

alongside our management teams to create value for our stakeholders.

### Managing Resource Consumption

We continue to find that lowering environmental impacts often yields financial returns. As more of our companies leverage technology to monitor metrics around energy and water consumption, we are broadening advisory relationships to help them use that data to make accretive investments to lower costs while reducing environmental impacts. In addition to efforts by PLZ Corp and C.H. Guenther & Son to reduce energy consumption, we are proud to highlight the Bardstown Bourbon Company's intense focus on creating a more circular distillation process by materially lowering energy usage, waste and water consumption, all while seeing growth in the business. As a family of companies, we will continue to share individual company efforts and achievements across the group to leverage best practices in lowering impact while creating equity value.

### Workplaces Where People Can Thrive

Employee recruiting, engagement, development, retention and, above all, safety and well-being are paramount to our success as a firm and family of companies. Our DEI efforts are focused on creating workplaces that can leverage the talents of the

full workforce. Our investments in PPC University and employee engagement are core to creating environments that show employees how we value their input and career development. Lastly, our data-based focus on each company's safety performance has been rooted in PPC's efforts long before the development of a formal ESG program. At PPC and across our companies, we firmly believe that our people drive our success.

### Turning Challenges to Opportunities

As the marketplace throws more challenges at our companies, we are there to support them. The growth of PPC's Operations Group of full-time PPC employees

shows our commitment to turn challenges into opportunities. We are proud to highlight the efforts of our Operations Group's efforts in cybersecurity, digital transformation, automation and other areas described throughout this report.

We hope you enjoy reading about our 2023 progress and broader approach to partnering with our companies to create value for our stakeholders by building better businesses.



**Michael L. Nelson**  
Managing Partner and Head of Investing



**David A. Gau**  
President and Head of Operations

# About Pritzker Private Capital

**Pritzker Private Capital (PPC), an investment firm with a family heritage, partners with middle market companies and maintains a differentiated capital base with a long-term focus.**

The Pritzker family has helped build stronger businesses over multiple generations, guided by a commitment to responsible business and operating principles.<sup>1</sup>

## Mission

We partner with management teams to build better businesses and create value for our stakeholders.

## Core Values

We believe there is a “right way” of doing business. We strive to maintain fair, positive and transparent interactions with our management teams and business partners consistent with our core values of honesty, integrity and loyalty.

## Business-Minded Approach

We do not believe that ESG is an “initiative.” We believe that a successful ESG program is grounded in our family of companies’ core operations and human capital management.

## Sectors

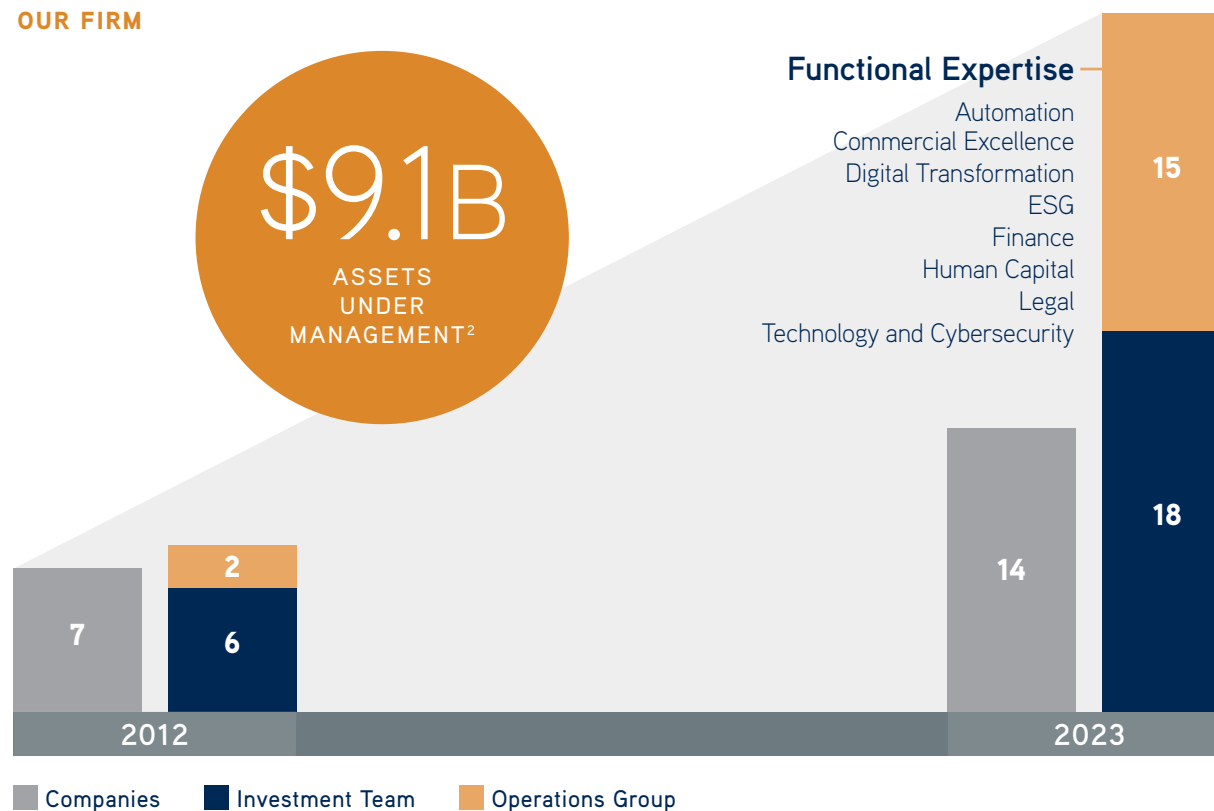
- Manufactured products (food, packaging and specialty industrial)
- Services (supply chain distribution and commercial and industrial services)

## Expanding Resources for Evolving Challenges

The PPC team includes a greater range of specialized expertise today than at any time in our firm’s history. As the complexities facing PPC companies grow and the expectations of our stakeholders expand, we continue to assess opportunities to help our company

management teams. Over the last 11 years, our Operations Group has grown to include professionals with experience in automation, digital transformation, e-commerce, ESG, finance, legal, and technology and cybersecurity. They are led by our full-time Operating Partners who have deep experience managing complex organizations of scale.

## OUR FIRM



**~60**  
PPC EMPLOYEES

## OUR OPERATING COMPANIES<sup>3</sup>

**33K**  
EMPLOYEES

**14**  
COMPANIES

# 2023 Progress and Highlights

PPC HIGHLIGHTS	
<p>Hosted <b>100+</b> executives from across the PPC family of companies at our <b>2023 Executive Summit</b></p> 	<p><b>260</b> Participants in PPC University, with a total of <b>800</b> since inception</p> 
<p><b>Pritzker Women's Network</b> hosted a "<b>Herstory</b>" event, a virtual panel discussion with Shannon Hennessy, Division CEO of Habit Burger Grill</p>	<p>Selected the private market software platform <b>Novata</b> as a technology partner for our 2023 ESG Data Convergence Initiative reporting</p> 
<p><b>4</b> Community Lunch and Learns held to increase PPC employee giving and volunteering with local nonprofits</p>	<p><b>20%</b> Growth in PPC employees participating in the Pritzker <b>3:1 Matching Gift Program</b></p>

COMPANY HIGHLIGHTS	
<p><b>3</b> New Companies onboarded into the PPC ESG Program: HeartLand, Kenco and Sugar Foods</p>	<p><b>PLZ Corp</b> was recognized with a <b>Bronze Stevie® Award</b> for developing an ESG Steering Committee, strategy and report</p>
<p><b>Bardstown Bourbon Company</b> was one of the first the eight distilleries in the United States to earn the <b>U.S. EPA's new ENERGY STAR certification</b> for distilleries in recognition of its energy efficiency improvements and emissions reductions</p> 	<p><b>6</b> Companies engaged <b>energy consumption reporting platforms</b> to provide better transparency for reporting emissions and reducing impacts</p>
<p><b>3</b> Companies completed <b>materiality assessments</b> to refine their ESG programs</p>	<p><b>4</b> Companies have published <b>reports</b> about their ESG programs or sustainability initiatives: <u>C.H. Guenther &amp; Son</u>, <u>PLZ Corp</u>, <u>Plaskolite</u> and <u>ProAmpac</u></p>   
<p><b>C.H. Guenther &amp; Son</b> was named one of <b>America's Greatest Workplaces for Diversity</b> by Newsweek</p>	

## OUR ESG APPROACH

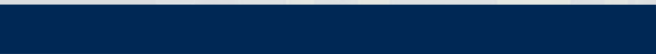
PLASKOLITE | HEADQUARTERS: COLUMBUS, OH

**Since PPC's founding, our core mission has been to partner with management teams to build successful businesses and create equity value for our stakeholders.**

We bring a pragmatic, company-facing approach to our ESG program. Increasing efficiencies, decreasing employee turnover and managing risks are areas that leaders can agree are good business. On the investing side, we diligence key industry and company risks to help inform our investment process and company partnerships.

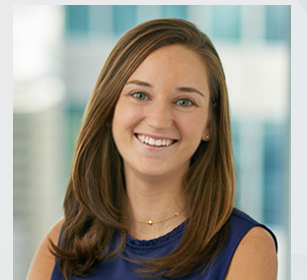
More than ever, business risks and opportunities are changing at a rapid pace. From new geopolitical threats, technology and workforce priorities, to evolving regulatory landscapes and stakeholder requirements, our ESG program is designed to help PPC and our family of companies keep pace with these developments and what it means to be a successful business.

At PPC, we are investors who believe that properly managing ESG risks and opportunities aligns with our mission of creating equity value.



Across the PPC family of companies, from ProAmpac's sustainable packaging leadership to Valicor's scaled waste management solutions, our industries of focus provide opportunities to create value through the growing circular economy.

**Kaitlyn Desai**  
Investment Principal -  
Manufactured Products

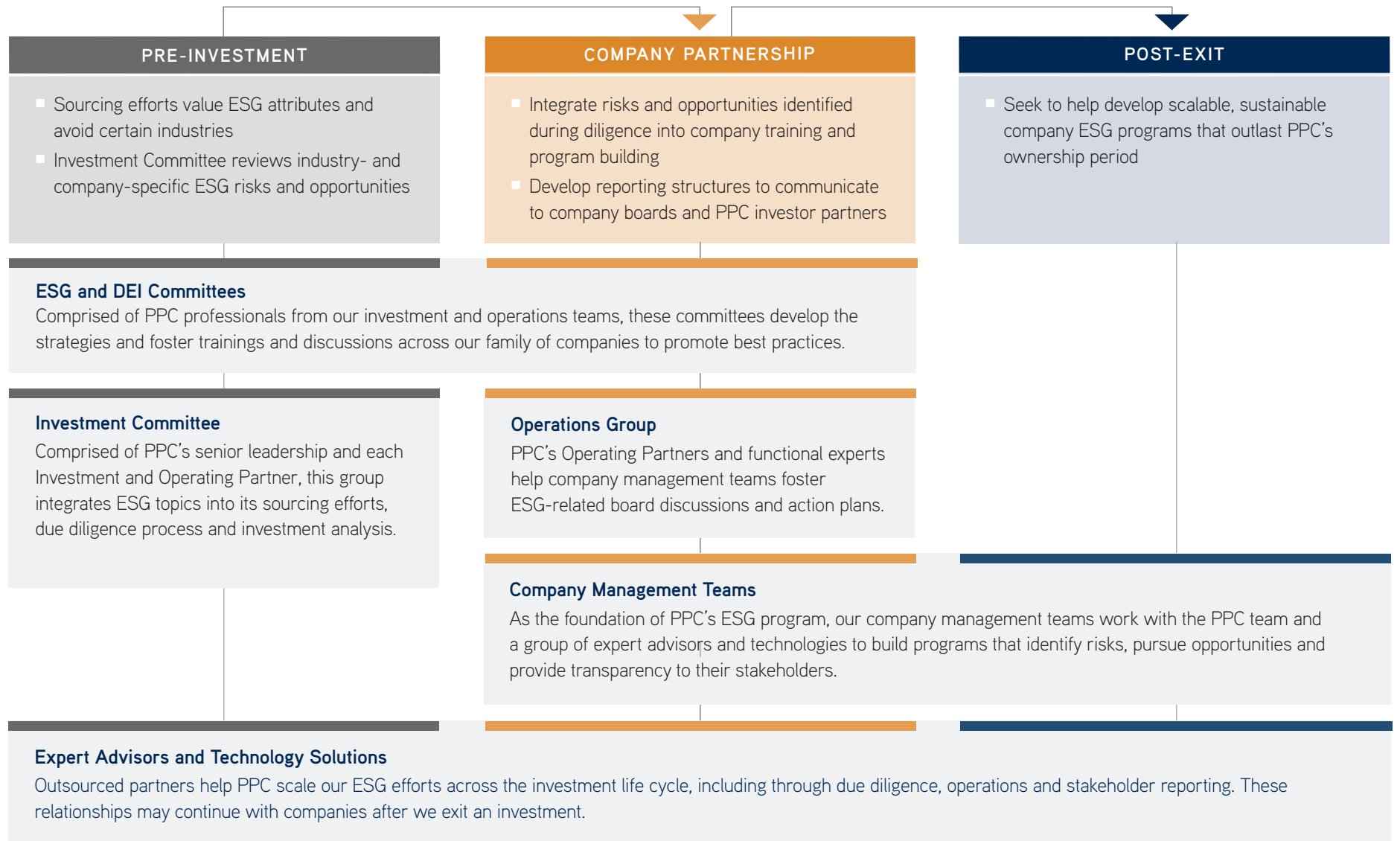


# ESG Program Governance

Attentive oversight and collaborative implementation guide our ESG approach.

The senior leaders of our firm provide ultimate oversight of our ESG program. Responsibility for program development and implementation involves a broad, cross-functional team of PPC professionals. Several committees and groups collaborate with operating company management to scale and integrate consideration of ESG issues into our investment and oversight approach.

## OUR TEAMS ACROSS THE INVESTMENT LIFE CYCLE



# Measuring and Reporting ESG Performance

We provide the consistent, comparable ESG information our stakeholders require.

PPC companies formally report ESG KPIs on a periodic basis, including company-specific metrics at quarterly board meetings as well as standardized annual metrics in line with the ESG Data Convergence Initiative (EDCI).

## COMPANY-SELECTED AREAS OF FOCUS



### Quarterly Board Reporting

During post-closing onboarding, in partnership with company management, we assess diligence findings involving company operations that pose risks or present opportunities. Based on the findings, companies select KPIs and create goals to report at their respective quarterly board meetings.

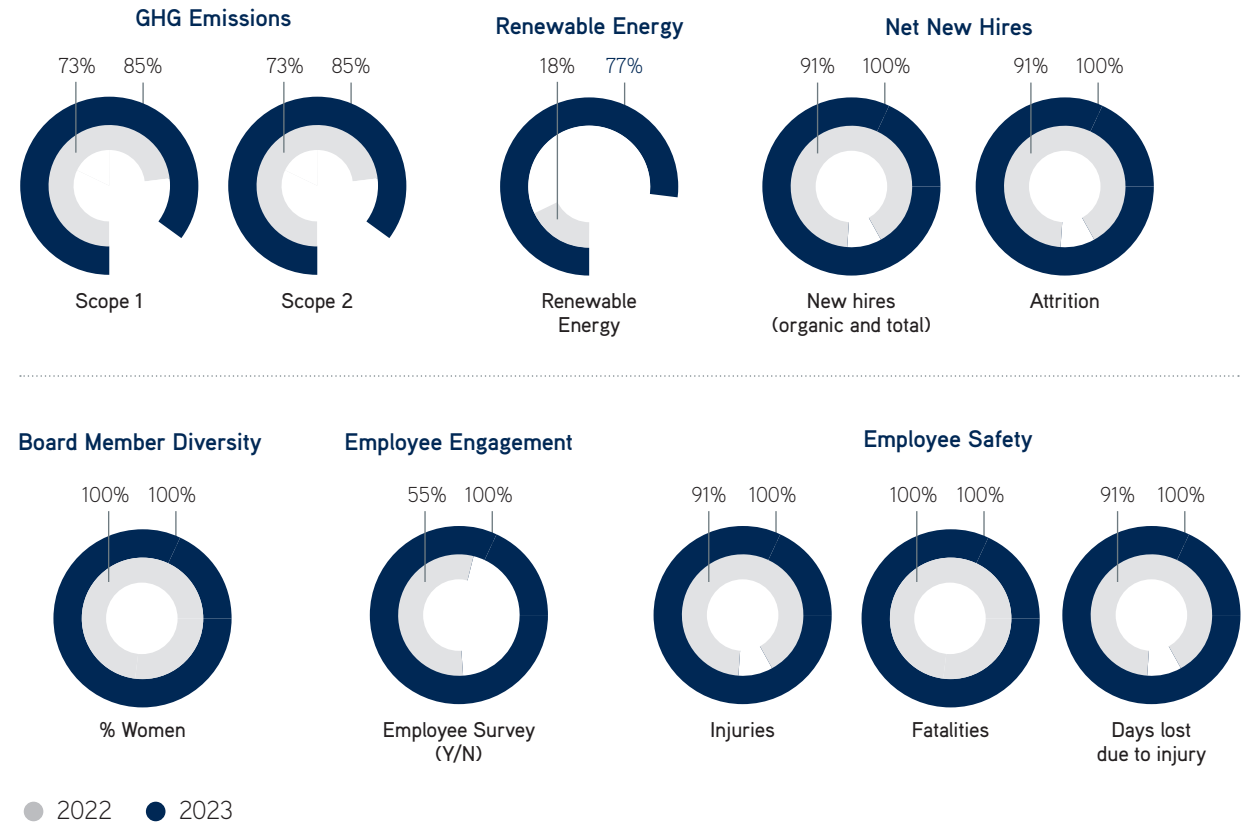
### Annual Investor Reporting

PPC is in our second year of collecting company metrics prescribed by the EDCI, an industry-wide effort to streamline and standardize the collection and reporting of ESG data. Customer, investor and regulatory expectations surrounding ESG disclosures surged during 2023, as they require consistent, reliable and decision-useful information.

In line with the EDCI, PPC companies are now expected to annually report data on core metrics in six ESG categories, as shown at right. Aligning with these EDCI metrics enhances data quality and comparability; it also helps prepare our companies for future reporting requirements, including the Sustainable Finance Disclosure Regulation (SFDR) and the Corporate Sustainability Reporting Directive (CSRD), two complementary regulations focused on enhancing transparency and accountability among EU-based institutions. Many of these metrics are also relevant to our operating companies who do business in California or have key customers focused on ESG matters impacting their supply chains.

### ESG DATA CONVERGENCE INITIATIVE<sup>4</sup>

(% OF COMPANIES REPORTING)





# Data Collection: Integrating Technology Solutions

We have significantly advanced our data collection and reporting capabilities.

During our inaugural collection of standardized data for EDCI reporting in 2022, we noted certain challenges for PPC and our companies. We have sought to address these by integrating technology solutions to assist in the calculation and reporting of these group-wide metrics. Taking matters outside of Excel and Outlook, we introduced tools to improve reporting accuracy and utility for our companies, PPC and our investor partners.

## POWERING OUR ESG DATA COLLECTION

### BOARD REPORTING

Leveraging results from materiality assessments, certain PPC companies with more developed ESG programs will utilize the platform to expand their own KPI tracking and improvement. In 2024, PPC will work with these companies to integrate technology into developing more transparent, data-focused programs.

### INVESTOR REPORTING

PPC and our operating companies have adopted Novata's ESG data management software platform to collect, analyze and report metrics for EDCI and other investor-driven disclosures. Novata is a B Corporation, or public benefit corporation, created to provide private markets access to ESG performance metrics. This online platform provides guidance and centralized data entry to improve consistency and transparency. PPC will use the platform to collect and aggregate EDCI data to improve the investor reporting process.



# Beyond the Data: Developing Sustainability Programs

## Our companies develop and share their successful sustainability initiatives.

ESG data, risks, opportunities and outcomes are rooted in operating company actions. PPC’s ESG program runs in step with our operations emphasis on building

better businesses over the long term. Focusing on our companies, PPC’s ESG program has three goals:

- Assess risks and opportunities throughout the investment life cycle
- Provide the transparency important to PPC stakeholders and company customers
- Develop scalable company programs focused on people and operations that outlast PPC’s hold period

### ESG PROGRAM PROGRESS

COMPANY	A	B	C	D	E	F	G	H	I	J	K	L	M	N
PPC Onboarding	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active
Board Reporting (KPIs)	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active
Working Group or Devoted Resource	Active	Active	Active	Active	Active	In process	In process	Active	In process	Active	Active	Active	In process	In process
Materiality Assessment	Active	Active	Active	Active	In process	In process	In process	Active	In process	Active	In process	In process	In process	In process
Public Report	Active	Active	Active	Active	In process	In process	In process	Expected in 2024	In process	Expected in 2024	In process	Expected in 2024	In process	In process

■ Active   ■ In process   ■ Expected in 2024

## ESG Program Maturity: Growing Together

At PPC, performance improvement often originates with individual companies as they develop their own ESG programs. Neither PPC’s ESG Officer nor any outside advisors have created an ESG playbook. Rather, the initiatives described below were developed by individual companies and then shared across our family of companies. In many instances, the accomplishments of one company were followed by a rapid uptake among its peers.

**Onboarding and KPI Selection.** Informed by our pre-closing diligence, we help companies identify opportunities to drive positive outcomes, reduce negative impacts and report data necessary for proper board oversight, as well as customer and investor reporting.

- For example, after our acquisition of Highline Warren in Q4 2020, PPC began integrating ESG diligence findings into our post-closing onboarding. We worked with the management team to select KPIs to track improvement of energy efficiency, waste management and employee safety. PPC has completed a similar process with each subsequent control investment.

**Working Groups.** ESG efforts at a company cannot be achieved through the efforts of one person. Taking a collaborative team approach, we encourage our management teams to develop cross-functional working groups of operations and human resources professionals to scale their efforts across their business.

- For example, in 2021, PLZ Corp formed an ESG Steering Committee. Since then, eight PPC companies have developed formal or informal cross-functional teams to scale their ESG efforts.

**Materiality Assessments.** When ready to develop a formal ESG program, we encourage companies to involve third-party advisors to interact with company stakeholders and research industry peers to help prioritize current and future material ESG efforts.

- For example, in 2021, ProAmpac completed a third-party materiality assessment, which helped the company determine the key pillars for its developing ESG program. Since then, six additional PPC companies have completed materiality assessments.

**Transparency Reports.** Transparency of a company’s ESG efforts is becoming increasingly important with current and prospective employees, customers and other company stakeholders.

- For example, during 2021 and 2022, C.H. Guenther & Son, PLZ Corp and ProAmpac published company sustainability reports. Since then, four more PPC companies have either completed similar reports or have goals to complete them during 2024.

## CHANGING ENVIRONMENT

### Today, expectations have extended beyond environmental policies to demonstrable practices.

PPC investors and our company customers are looking for more than broad policies. They look for outcomes such as specific data measuring the environmental impacts of their investments, supply chains and constituents. Chief among these is management of greenhouse gas emissions and resource consumption.

During 2023, PPC worked with our family of companies to engage advisors and technology platforms to develop a better process for reporting consumption and related emissions. We are now working with many of our companies to use this data to monitor inefficiencies and engage third parties to reduce consumption. As prudent investors, we plan to identify opportunities to scale these efforts across our family of companies and assess their potential benefit by using the same financial analysis and return thresholds applied to other capital expenditures.

KENCO | HEADQUARTERS: CHATTANOOGA, TN

AutoStore

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# Energy Consumption and Climate Impact

## Many of our companies are adopting tools and tactics to monitor and reduce their energy use and emissions.

As one of our company executives aptly noted: “Of course we focus on our energy use. It costs money.” At the same time, more customers and investors are pushing PPC and our companies to report climate metrics and integrate climate plans, which are rooted in energy consumption for many of our businesses. The alignment between financial returns and environmental benefit has never been clearer, and we are working together to develop capabilities to achieve tangible financial and environmental outcomes.

### Spotting the Issue

PPC has worked with our operating companies to expand their emissions reporting capabilities. During 2023, we conducted trainings and expanded our advisory relationships. In doing so, we discovered core drivers and challenges for delivering these results. We also noticed how small energy consumption projects were yielding outsized financial returns.

### Implementing Technology Tools

PPC recognized a common pain point for companies when attempting to report emissions: utility consumption tracking. Collecting 12 months of utility bills across multiple facilities was understandably

challenging for many businesses. Learning from one company’s implementation of technology to automatically track plant-level and company-wide utility consumption and emissions, PPC and our companies have expanded this practice across a growing portion of the group. As of 2023 yearend, six companies have engaged similar technology platforms to collect and report this data.

In addition, our reporting companies are now working with an external adviser to provide consistency in capturing applicable data and calculating these metrics in line with the GHG Protocol, a global framework for measuring and managing GHG emissions. Access to this information significantly helps with companies’ emissions reporting requirements, while also providing key data to explore accretive projects and process updates to reduce their energy consumption.

### Our Progress

**Energy-Efficiency Initiatives.** Noting company successes with actions such as LED lighting investments and installations of high-efficiency boilers, PPC began working with third-party advisors in 2023 to proactively implement energy consumption initiatives at three companies. One company is replacing less efficient equipment types (e.g., halogen lighting for LED) and another is completing more fulsome site assessments.

**Sharing Solutions.** PPC seeks to highlight results and wins across the group to help our companies find turnkey solutions to create equity value while reducing their climate impact.



HIGHLINE WARREN | HEADQUARTERS: MEMPHIS, TN

## Case Study: Circular Bourbon

Conserving natural resources through reduction and reuse leaves a lighter footprint.

### Bardstown Bourbon Company

Aside from hard work and devoted craftsmanship, distilling bourbon requires a lot of three things: water, energy and grains. Without an eye on sustainability, this process can strain local water resources, produce large amounts of emissions, and send a lot of waste to landfills. PPC is proud to highlight the Bardstown Bourbon Company's commitment to a more circular distillation process.



BARDSTOWN BOURBON COMPANY | HEADQUARTERS: BARDSTOWN, KY

### Reusing Water Resources

Recognizing increased production demands, coupled with flat or decreasing municipal water allotments, Bardstown invested heavily in the development of an on-site wastewater treatment facility. As part of the distillation process, a portion of the water trapped in the grains does not get bottled and exits as unusable wastewater. Following completion of the facility in 2024, Bardstown will be able to recycle millions of gallons of this water back through the distillation process. This will allow Bardstown to increase production capacity and eliminate city surcharges without compromising the water needs of its neighbors.

### Reducing Energy Use

Between 2018 and 2022, Bardstown reduced its natural gas consumption by approximately 50% by converting to high efficiency boilers and expanding heat exchanger capacity. The returns on these investments from both environmental and financial perspectives have been outstanding and serve as a model for other PPC companies. Looking ahead to tackling

electricity, Bardstown is currently assessing renewable energy capabilities through the use of solar and wind technologies on its beautiful property.

### An Energy Saving Pioneer



Bardstown was recognized as one of the first eight distilleries in the United States to earn the U.S. Environmental Protection Agency's (EPA) ENERGY STAR certification for superior energy performance in 2023. Bardstown's many energy-saving actions enabled it to achieve an exceptional score on the Environmental Performance Index developed by the EPA in partnership with the Distilled Spirits Council of the United States.

### Responsibly Reusing Spent Grains

During 2023, Bardstown produced over 100,000 tons of spent grains. One hundred percent of these grains were diverted from landfills and reused for agricultural purposes, contributing to a more circular economy and reducing the financial and environmental costs of landfill disposal.

### ABOUT BARDSTOWN BOURBON COMPANY

PPC acquired Bardstown Bourbon Company, an innovative distiller, producer and bottler of premium Kentucky bourbon and rye whiskey brands, in 2022. Set on 100 acres of active farmland in the heart of the "Bourbon Capital of the World," Bardstown produces Kentucky bourbon and rye whiskey brands and custom whiskey production. Bardstown distills more than 7 million proof gallons annually, placing it among the top 10 U.S.-based whiskey distillers by volume.



# Focus: Environment Spotlights

Energy audits shine a light on cost-saving actions to create equity value.



PLZ Corp

HEADQUARTERS: DOWNER'S GROVE, IL

## LED Lighting

PLZ Corp (PLZ) is a North American manufacturer of specialty aerosol and liquid products. PLZ specializes in the development, manufacturing, packaging, and distribution of a comprehensive line of contract fill, branded, and private-label products to a diverse set of end markets including personal care, automotive, food service, household and cleaning, and maintenance and industrial.

Electricity to power lighting is a primary driver of energy consumption at PLZ facilities. As its customers become more focused on their supply chain emissions, PLZ has begun exploring ways to be a better partner in

helping its customers achieve their energy and climate-related sustainability goals. In 2023, PLZ engaged a third party to assess energy use and identify efficiency opportunities at four of its facilities.

LED lights are over four times more efficient than incandescent and fluorescent lights. In addition, facility landlords and utility companies will often provide rebates or contribute to the installation of new lighting. These projects can result in payback periods of less than one year and create significant equity value. Based on electricity consumption and spend reductions, PPC expects that these projects will be integrated more broadly at PLZ, then replicated at other PPC companies.

## Facility-Wide Efficiencies

C.H. Guenther & Son (CHG) is a producer of grain-based and frozen food products for foodservice, quick serve restaurant, club and retail customers. The company operates out of 29 facilities in the U.S., Canada and Europe, and its products include artisan breads, buns, biscuits, tortillas, cookies, desserts, gravy mixes, spices, frozen appetizers and snacks, pizza mixes and dough.

CHG's manufacturing processes consume electricity and gas through ovens, compressors, refrigerators and other manufacturing equipment. In 2023, PPC and CHG engaged a third-party advisor to conduct site-wide assessments to explore not only equipment upgrades, but also techniques for operating more efficiently. Walking through facilities and engaging with employees

provided many observations and recommendations.

As part of its continuing efforts, CHG is working on a pilot program in the UK that combines a decrease in energy consumption with mitigating GHG emissions. This effort complements its new BREEAM-certified facility in Coventry, UK. In the U.S., an expansion project in Texas is incorporating sustainability attributes.

Similar to other PPC companies, many of CHG's top customers not only require emissions data, but are also beginning to integrate climate plan requirements in their procurement processes. Seeking to be preferred supplier partners, CHG continues to explore ways to create equity value while lowering emissions in partnership with PPC and its customers.



C.H. Guenther & Son

HEADQUARTERS: SAN ANTONIO, TX

## CHANGING WORKPLACE

### Workforce turnover and labor scarcity remain challenging issues.

Many factors have contributed to this: changing lifestyles after the pandemic, technology developments, generational shifts and accompanying priorities, a tighter labor market with rising wages, and others.

No matter the cause, PPC has observed in news reports and heard it in board rooms: it is a consistent challenge to recruit, retain and develop people.

The current generation of employees entering the workforce is the most diverse and educated in history, and as reported by the World Economic Forum, this generation increasingly demands diversity and inclusion in the workplace.<sup>4</sup>

### A Tight Labor Market

Today's PPC team draws on the Pritzker family values and our founders' heritage of building great businesses through hiring, developing and retaining great people. Before there was an ESG program, the fundamental tenet was already recognized: the need to foster safe, diverse, engaged workplaces that invest in employee development. This has led to a programmatic approach which incorporates an intense focus on employee safety, company-tailored diversity, equity and inclusion (DEI) programs, employee engagement and professional development.

VALICOR ENVIRONMENTAL SERVICES | HEADQUARTERS: HOUSTON, TX

The U.S. unemployment rate had been below 4% for 23 months in a row as of January 2024, setting a 50-year record.

Hourly earnings were up by 4.1% over 2023 for all private sector workers and 4.3% for middle-wage workers.<sup>5</sup>

# Employee Safety and Well-being

Keeping our people safe has long been a core focus of PPC.

Even before PPC established a formal ESG program, our companies reported safety KPIs to their boards at every meeting. First and foremost, as a moral principle, we believe that people should be able to leave the workplace in the same condition that they arrived. Next, we believe that our employees are our most important partners in executing our mission to build great businesses and create equity value for our stakeholders.

Lastly, PPC believes that safety metrics are a key leading indicator of strong operations. Poor safety practices and procedures can result not only in injuries, but also regulatory scrutiny and poor workforce

retention. They can also indicate inadequate strategy and execution in areas such as efficient and timely production and product quality, which we believe are fundamental in meeting customer needs in a manner that optimizes equity value creation.

## Tactics

**Safety Culture.** We expect our companies to maintain an employee health and safety policy, implement a safety program and conduct mandatory safety training.

**Performance Reporting.** We expect our companies to establish, track and report employee safety and health KPIs to their own boards, in regular reports to PPC and, most recently, to investors via participation in the EDCl. It is our practice to open PPC board presentations with safety performance metrics including total recordable incident rate (TRIR), often reporting outliers by site location.

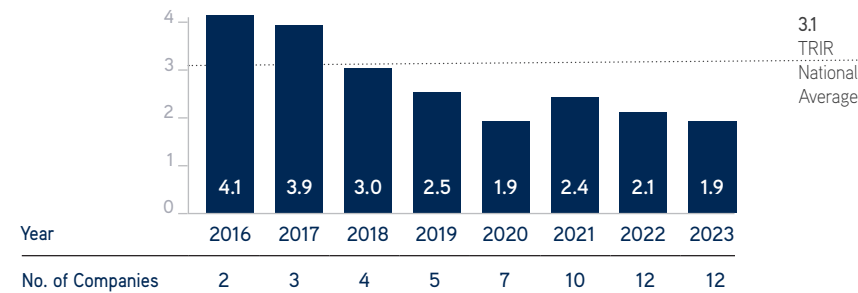
Safety performance reflects a commitment to process discipline, standard work, continuous improvement, employee engagement and values-based leadership.

**Dwight Gibson** | Operating Partner – Manufactured Products

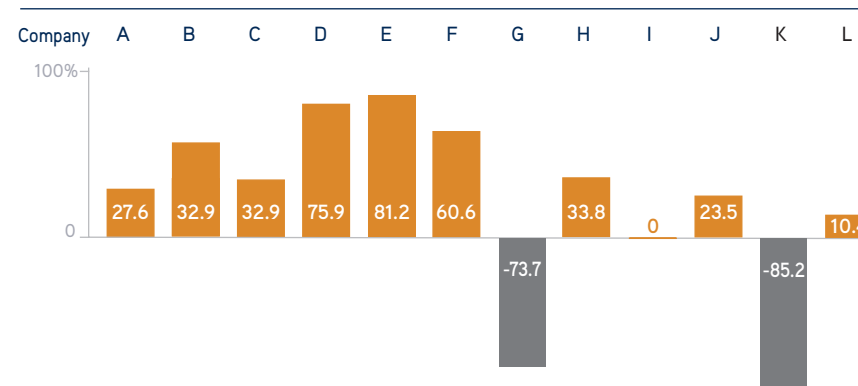


## TRADITION OF IMPROVING SAFETY THROUGH PARTNERSHIP

PPC's Family of Companies Average TRIR Over Time\*



Improvement (%) in TRIR Since First Reporting under PPC\*  
(Individual Company by Date Acquired)



\* Excludes two companies acquired in late 2023.

## TRIR HIGHLIGHTS

**6** Companies  
companies reported declines in TRIR since 2016

**11 of 12** Companies  
have safety incident rates below the 3.1 national average

**6** Current PPC Companies  
have reduced their incident rates by more than 30% during PPC's ownership



# A Changing Talent Pool

In a competitive labor market, we seek to cultivate welcoming, rewarding workplaces.

## Our Approach

To produce great products for loyal customers and generate returns for our investor partners, PPC and our family of companies need to recruit, engage and retain the best people. Our goal at PPC is to foster a workplace where diverse candidates and employees

feel included. It is the right thing to do, and it is the right way to run any business seeking to access the best talent pool.

## Promoting DEI at Our Firm

Beginning in 2017, PPC adopted a formal DEI program and has been building on this foundation since then. Our four DEI pillars include: an inclusive culture; recruiting, hiring and retaining top talent; being an employer of choice; and having a positive impact on the community. We judge the effectiveness of our DEI program based on progress made and develop action plans based on employee engagement survey feedback

In order to maximize a team's potential, it is imperative to attract, recruit and retain the best performers from a diverse talent pool.

**Silvia Yim** | Vice President, Human Resources



as well as the strategy of PPC's DEI Committee. In 2023, PPC conducted community lunch and learns, Pritzker Women's Network events, organizational sponsorships and recruiting efforts as part of our DEI action plan.

## Scaling Across Our Companies

Learning from our own efforts, PPC leaders have asked PPC's Operations Group and company management teams to expand these efforts. While we appreciate that each industry, company and location is different, we have developed a core set of best practices and shared them to help the whole group move forward.

**Company Onboarding.** After partnering with a new company, we work with its management team to help them develop and execute on their DEI strategy. PPC also creates a community of accountability by tracking progress of company-determined goals during board meetings.

**Board Reporting.** Twice per year, companies discuss progress and developments in their DEI programs.

**Cross Company Collaboration.** In addition to events hosted by the Pritzker Women's Network, human resources leaders across our companies gather to discuss best practices regarding DEI, employee engagement and other applicable topics.

## Our Progress

**PPC University DEI Course.** To amplify our efforts to foster diverse, equitable and inclusive workplaces in PPC and our companies, we are developing a DEI course to be offered through PPC University in 2024.

**Pritzker Women's Network.** This employee resource group hosted a cross-company virtual panel with Shannon Hennessey, Division CEO of Habit Burger Grill, as one event in its year-long programming.



AURORIUM | HEADQUARTERS: INDIANAPOLIS, IN

# Focus: Workplace Spotlights

## Listening to employees and promoting their development helps build brighter futures for all.

### Employee Engagement Surveys: Investing in Engaged Workplaces

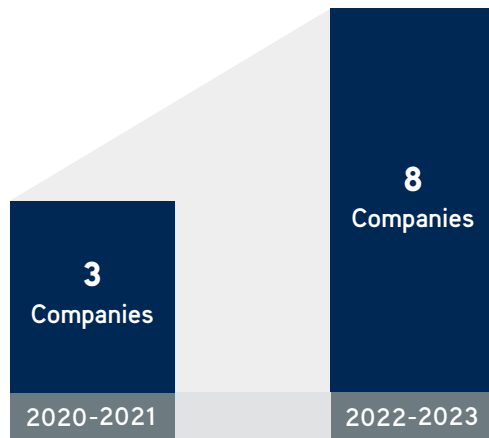
PPC believes that the most productive workplaces are those that reflect the input of employees. We have historically conducted formal, periodic employee

engagement surveys of PPC team members. Assessing survey results and developing action plans have been crucial for PPC’s leadership team staying ahead of issues and keeping PPC as an engaged, inclusive workplace with minimal voluntary turnover. PPC’s expansion, coupled with changing demographics and generational values, has made this practice very important for PPC’s senior team to maintain our workplace culture.

Within our family of companies, we have advocated the value of conducting employee engagement surveys. Those companies that conducted surveys found them to be valuable tools for hearing employee concerns and, in turn, catalyze efforts designed to create better workplaces, reduce voluntary turnover and increase employee morale.

As a result of this demonstrated value, we have begun strongly encouraging PPC companies to complete annual employee engagement surveys. Going forward, human resources leaders and company executive teams will present findings and action plans at their respective board meetings.

### EMPLOYEE ENGAGEMENT SURVEYS



### Employee Development

Launched in 2021 in partnership with the Indiana University Kelley School of Business, PPC University supports the professional development of employees within PPC and our family of companies. The program exemplifies PPC’s commitment to partner with our companies, invest in their people and culture, and build successful businesses for the long term.

### PPC University Courses

- Financial Strategy
- Leadership and Culture
- Mergers and Acquisitions
- Negotiations
- Operational Excellence
- People Management
- Project Management
- Supply Chain Value Creation

### 2023 PPCU HIGHLIGHTS

**260** Total Participants .  
in 2023 (240 first time participants)

**Participation** .  
included employees from PPC  
and **10 companies**

More than **50%** of Participants  
were either diverse or female

### SINCE INCEPTION

**800** Total Participants .

**50%** of Historical Participants  
are either diverse by race, ethnicity  
and/or gender

# CHANGING REGULATIONS, RISKS AND OPPORTUNITIES

## PPC's Operations Group evolves in depth and expertise as the risks and complexities of running a modern business expand.

When PPC first developed a formal ESG Policy in 2018, emissions reporting and climate goals were predominantly ideals. Cybersecurity risks were real, but not viewed as a daily threat that businesses needed to prioritize and invest resources behind. Artificial

Intelligence was mostly known for IBM's Watson taking down past Jeopardy or chess champions.

This landscape has evolved, expanding the challenges and opportunities facing any company executive. Furthering our mission to pull the oar alongside our company management teams, PPC has expanded our Operations Group resources. With professional backgrounds in fields aligned to the greatest needs of our companies, PPC's Operations Group helps our companies stay ahead of these rapidly changing landscapes.

2023 PPC EXECUTIVE SUMMIT | CHICAGO, IL

AREAS OF FOCUS
Automation
Commercial Excellence
Digital Transformation
ESG
Finance
Human Capital
Legal
Technology and Cybersecurity

# Risk Alert: ESG Regulatory Compliance

## Our readiness plan prepares our companies for a changing landscape.

A growing number of investors and consumers are focused on the emissions and impact of their products. Investors want their dollars invested in strategic, forward-thinking companies that lower risk and advance impact. Business customers and end consumers are focusing more on their supply chains. As these factors have a growing impact on investment

and purchasing decisions, government bodies are starting to mandate these disclosures.

Regulatory regimes around the world have begun rolling out ESG reporting frameworks involving the disclosure of the direct emissions of companies' operations, as well as other impact metrics. This will require future direct reporting requirements for certain companies operating at scale in various locations.

### Our Progress

To prepare our companies for complying with these emerging requirements, PPC's legal and ESG functions

have rolled out a regulatory readiness plan that will continue to develop in 2024.

**Education and Awareness.** PPC hosted a firmwide training to educate PPC professionals on the regulatory requirements potentially facing some of our companies. PPC's ESG Officer held a roundtable discussion with representatives from across the group of companies to stress not only the importance of reporting certain impact metrics to customers and investors, but also the increasing speed at which the regulatory landscape is evolving.

**Data Reporting.** Absent extenuating circumstances, PPC has mandated Scope 1 and Scope 2 emissions reporting across the group of companies. To maximize data integrity and ease of calculation, PPC has continued to engage technology and outside advisors to work with the PPC of companies on developing repeatable reporting capabilities to meet these rising demands. PPC has also engaged a third-party software solution to assist in standardized data collection across the group.

Our family of companies operates in a complex regulatory environment that continues to evolve at a rapid pace – a dynamic that underscores the importance of building agile organizations, fostering good communication and sharing best practices across the group.



**Brad West** | Partner - Chief Operating Officer, General Counsel and Chief Compliance Officer

### POTENTIAL REGULATORY IMPACTS

COMPANIES	CALIFORNIA LEGISLATION	EU CSRD
Aurorium	●	●
Bardstown Bourbon Company		
C.H. Guenther & Son	●	●
Energy Distribution Partners	●	
HeartLand		
Highline Warren	●	
Kenco	●	
Monogram Foods	●	
NAI Group		
Plaskolite	●	●
PLZ Corp	●	
ProAmpac	●	●
Sugar Foods	●	
Valicor		

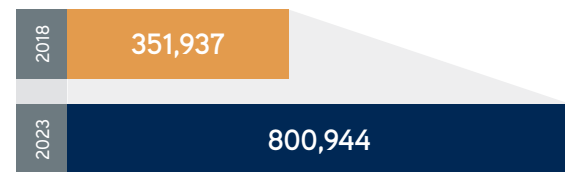
# Cybersecurity: PPC and Our Companies

## Our dynamic approach strengthens our security posture against growing threats.

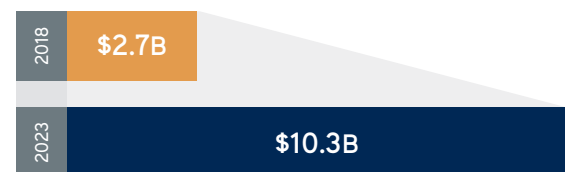
When most PPC and company employees began our careers, cybersecurity was not a top business risk. Many of us had not even sent an email. CEOs did not need to think about the possibility of ransomware or

### U.S. INTERNET CRIME<sup>6</sup>

#### COMPLAINTS



#### RELATED LOSSES



phishing, nor did they have line items in the budget for cybersecurity advisors and incident response plans. The risk landscape has dramatically evolved as the sophistication and number of cyberattacks and related losses have surged in recent years.

At the same time, we are working hard to stay ahead of the curve. While each company is unique, all face similar cybersecurity challenges. To counter this risk, PPC focuses on collaboration, knowledge sharing and experience to strengthen the security posture of all companies.

### Tactics

**Working Group.** PPC’s Director of Technology provides ongoing support and leadership through a working group of technology professionals from across our group of companies. During collaborative monthly virtual and in-person meetings, company leaders share lessons learned, hear best practices, and engage with industry experts to keep on top of this rapidly changing risk environment.

**Baseline Standard.** PPC has a baseline standard of security controls to be implemented at each company. This is assessed during due diligence of platform and add-on acquisitions so PPC can work with the company to reach these baseline standards as soon as possible after closing.

We collaborate across our family of companies to create a culture of employee vigilance and enterprise response to combat cyberthreats.

**Jeff Carlson** | Director of Technology



**Performance Monitoring.** Our Investment Committee has direct line of sight over cybersecurity performance through formal reports provided by our Director of Technology. These performance dashboards provide detailed information such as the events by type, source and frequency, key takeaways, and emerging threats.

**Training.** On a monthly basis, PPC’s Director of Technology provides live, firmwide updates and Cybersecurity Dashboard materials regarding incidents, new threat actors, and best practices for PPC employees.

### Our Progress

**Security Assessments.** During 2023, PPC established a security assessment process, looking at the overall security posture of each company and PPC’s entire security framework. This assessment, which was conducted by a global cybersecurity firm, reviewed

our relevant processes, systems, and documentation in addition to performing a validation on key security items in alignment with the NIST framework. During 2024, PPC plans to build on this effort by developing a security roadmap incorporating the results of the security assessment. Having a clear understanding of the existing state of security will allow PPC to track progress with efforts to reduce the cyber risk at each company and leverage the experience of companies who have higher security ratings.

**Resource Sharing.** We are also expanding the resources available to the company technology professionals by developing a platform for sharing resources and further promoting collaboration among our family of companies.

# Focus: Operations Group Spotlights

## Enhanced capabilities are helping us harness the potential of AI and automation.

In addition to helping our family of companies navigate rising risks and regulatory regimes, PPC's Operations Group serves to support the execution of accretive opportunities. PPC recognizes that the rise of artificial intelligence (AI) and an acceleration in robotics capabilities present opportunities for our companies to excel, and we have expanded our capabilities in each of these areas.

### Digitizing the Customer Experience



**Anish Sharan,**  
Head of Digital Transformation

Appointed in 2022, our Head of Digital Transformation implements digital capabilities to help our operating companies seamlessly connect internal processes and data to provide more timely, accurate and informed actions. To effectively manage production and optimally serve customers, Anish Sharan is working

with companies to optimize the process of sales order processing, procurement, inventory management, production, and bill collection and payment. These changes can help our companies serve customers in a more timely and accurate way, improving customer

experience while better managing cash flows and stakeholder returns.

As the AI revolution continues to expand into more functional uses, Anish and our Operations Group help our family of companies stay informed and optimize their operations and balance sheets.

For example, in 2023, PPC worked with EDP on transitioning its paper-based invoice approval process into an AI-enabled workflow, significantly reducing paper consumption and increasing process accuracy and efficiency. In addition, PPC worked with multiple other companies on projects to help improve the customer experience through digitization and automation, including enabling product search and automated customer service functionalities.

### Achieving Greater Productivity



**Tim Giulianelli,**  
Vice President of Automation

plant managers to discuss manufacturing processes

Our Vice President of Automation, also appointed in 2022, supports the evaluation and implementation of technology and automation systems across our varied manufacturing and production facilities. Tim Giulianelli draws on his extensive background in automation and robotics as he partners with our companies'

and how they can best utilize new automation capabilities. PPC is currently working directly with six companies, assessing and integrating new projects to improve employee and product safety, drive manufacturing efficiencies, and reuse waste through more circular manufacturing processes.

- For example, in 2023, PPC worked with C.H. Guenther & Son's Tribeca facility to more efficiently cut and reuse dough trim. Investing in new equipment, this one production line improved yields by over 10%, resulting in millions of pounds of dough per year being reused and diverted from waste.

### C.H. Guenther & Son



# Appendix

## Disclaimer

This ESG Annual Report (the “Report”) is provided by PPC Investment Partners LP DBA Pritzker Private Capital (“PPC”) for informational purposes only and is solely intended to provide an overview of PPC’s ESG program and certain ESG-related activities of its operating companies. This Report should not be relied upon for any other purpose and is not intended to describe investment or company performance.

This Report does not constitute an offer to sell, or the solicitation of an offer to buy, any security, product, or service, including interests in any investment fund managed by PPC (the “Funds”). References to operating companies are intended to discuss PPC and its operating companies’ ESG priorities only and should not be viewed as a recommendation of any particular security, product or service.

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PPC, or any judgment exercised by PPC, reflects the beliefs or values of any particular person or company. There are significant differences in interpretations of what positive ESG characteristics mean by region, industry and issue, and these interpretations are rapidly evolving. It should not be assumed that investments in the securities or companies identified and discussed herein were or will be profitable.

The information contained in this Report may not necessarily be complete and may change at any time without notice. PPC does not have any responsibility to update this Report to account for any such changes. Certain information contained herein may be “forward-looking” in nature. Due to various risks and uncertainties, actual events or results of the actual performance of any Fund may differ materially from those reflected or contemplated in such forward-looking information. As such, undue reliance should not be placed on such information, and no individual or entity should rely on such information in connection with buying or selling any securities, products or services. Forward-looking statements may be identified by the use of terminology including, but not limited to, “may,” “will,” “should,” “expect,” “anticipate,” “target,” “project,” “estimate,” “intend,” “continue,” “believe,” or the negatives thereof or other variations thereon or comparable terminology. PPC makes no representation or warranty, express or implied, with respect to

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Some of the information contained herein has been prepared and compiled by the applicable portfolio company and has not necessarily been reviewed or independently verified or assured by PPC or any other third party. PPC does not accept any responsibility for the content of such information and does not guarantee the accuracy, adequacy, or completeness of such information.

PPC reserves the right to change its ESG guidelines, standards, and requirements at any time. The programs and policies set forth herein are aspirational and despite reasonable efforts may not be achieved and may be discontinued if PPC in its reasonable discretion believes that it is appropriate to do so. There can be no assurance that each portfolio company will achieve the ESG goals set forth herein. In some cases, implementation may be delayed or not achieved due to various factors.

## Endnotes

**Page 4, Endnote 1** - PPC invests capital on behalf of Tony Pritzker and other like-minded family and institutional investors.

**Page 4, Endnote 2** - This figure represents assets under management by PPC as disclosed in PPC’s 2023 Form ADV filed with the Securities and Exchange Commission on March 27, 2024 (“ADV”), including (i) \$5.5 billion of Regulatory Assets Under Management, (ii) \$2.1 billion of committed co-investments not included in Regulatory Assets Under Management, and (iii) \$1.4 billion of non-discretionary sub-advisory assets related to legacy Pritzker investment vehicles, trusts and estate planning vehicles for the benefit of certain Pritzker investors through the operation of the various underlying portfolio companies. For additional information, please refer to the [ADV](#).

**Page 4, Endnote 3** - For purposes of this Report, included are companies in which PPC exercises effective control (e.g., ability to appoint a majority of the board); provided, however, for references to metric reporting or company ESG program progress, HeartLand is excluded as a result of its December 2023 closing.

**Page 15, Endnote 4** - [Gen Z Demands Diversity and Inclusion in the Workplace](#), World Economic Forum

**Page 15, Endnote 5** - [A Strong Year for the Labor Market](#), The White House, January 5, 2024

**Page 21, Endnote 6** - [FBI Internet Crime Report 2022](#)

IF YOU WANT TO RUN FAST,  
YOU HAVE TO RUN WITH FASTER RUNNERS.



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