

March 2023



**CCMP GROWTH ADVISORS, LP  
("CCMP GROWTH" OR THE "FIRM")**

**RESPONSIBLE INVESTMENT  
FRAMEWORK**

## **Responsible Investment Framework**

CCMP Growth’s Responsible Investment Framework (“RI Framework”) consists of the following pillars:

- Environmental, Social and Corporate Governance Policy (“ESG Policy”)
- Portfolio Company Stewardship
- Portfolio Company Climate Considerations
- Employee Training
- Governance Structure
- Monitoring and Reporting

CCMP Growth’s investment activities and processes shall be carried out in accordance with these policies and guidelines below.

### **I. Environmental, Social and Corporate Governance Policy**

This Environmental, Social and Corporate Governance Policy (this “ESG Policy”) reflects CCMP Growth’s commitment that, where consistent with its fiduciary and other duties and otherwise commercially practicable, the Firm will endeavor to consider environmental, social and governance factors in its activities, in particular the ESG Principles set forth below, and incorporate ESG monitoring into our portfolio management process. In developing and enhancing our ESG policy, we have considered a range of industry standards, including the United Nations-supported Principles of Responsible Investment to which we are a provisional signatory, the UN Global Compact, and the American Investment Council’s Guidelines for Responsible Investment.

#### **ESG Principles**

1. Consider ESG issues associated with investments throughout the investment process, including pre-acquisition, ownership, and at exit.
2. Seek to be accessible to, and engage with, relevant stakeholders either directly or through representatives of portfolio companies, as appropriate.
3. Seek to grow and improve the companies in which we invest for long-term value creation. This may include taking steps to mitigate and/or adapt to climate change and other environmental impacts over the long term.
4. Provide that portfolio company management maintains appropriate levels of oversight in the areas of audit, risk management, compliance, and potential conflicts of interest.
5. Seek to support and improve the well-being of employees as part of human capital management strategy and in compliance with applicable laws. This includes supporting the payment of competitive wages and benefits to employees; and providing a safe and healthy workplace.
6. Seek to improve diversity, equity, and inclusion in our own firm and in portfolio companies, as appropriate.
7. Maintain strict anti-corruption policies that prohibit bribery and other improper payments to public officials consistent with the U.S. Foreign Corrupt Practices Act, the OECD Anti-Bribery Convention and similar laws in other countries.

8. Respect the human rights of those affected by our investment activities and seek to confirm that our investments do not flow to companies that utilize child or forced labor or maintain discriminatory policies.
9. Provide timely information to our limited partners on the matters addressed herein, and work to foster transparency about these matters.
10. Work with our portfolio companies to advance these principles through appropriate governance structures (e.g. board of directors), with the goal of improving long-term performance and minimizing adverse impacts in these areas.

CCMP Growth recognizes that environmental, social and governance matters will continue to evolve over time and intends to review its practices from time to time to assess appropriate changes.

### **ESG Incorporation**

In executing the above ESG Principles, CCMP Growth's Senior Leadership team shall

- Issue the Firm's ESG policy to all employees and provide training on the Firm's ESG policies and procedures to align policy commitments with the investment and investment monitoring process.
- Conduct ESG-focused assessment during the investment due diligence phase with the assistance of outside counsel to identify and address risks and opportunities that are material to the operational and financial performance of target portfolio companies.
- Assess portfolio companies during the portfolio management stage, at least annually, to track progress on ESG issues that have been identified and to be able to recognize and address new issues.
- Seek opportunities to collaborate within the private equity industry to promote acceptance and implementation of responsible investment principles.

## **II. Portfolio Company Stewardship**

CCMP Growth strives to use its influence with its portfolio companies to maximize overall long-term value to its clients and investors, taking into consideration economic, social, and environmental matters.

To ensure that adequate ESG-related competence exists at the portfolio company level, CCMP Growth may:

1. Assign the responsibility for ESG matters to appropriate personnel at the portfolio company.
2. Encourage relevant management and C-suite executives to participate in ESG discussions and training.

3. Support the portfolio company in developing and implementing its ESG strategy and program and assist in sourcing external ESG expertise such as consultants or auditors, as needed.
4. Share best practices across portfolio companies.

If applicable, CCMP Growth may aim to collaborate with peers in engaging with investee companies to address matters of collective interest.

### **III. Portfolio Company Climate Considerations**

CCMP Growth's Investment Committee<sup>1</sup> ("IC") and investment professionals are responsible for identifying and understanding ESG risks during the due diligence process and investment decision-making.

As part of CCMP Growth's risk assessment, due diligence protocols, and Portfolio Management Policy, CCMP Growth will also consider climate-related risks, opportunities, and financial impact in its investment activities, encompassing pre- and post-investment phases. This is in addition to financial, commercial, legal, industry due diligence protocols typically conducted for transactions.

Climate-related Risks<sup>2</sup> include, but are not limited to:

- i) Transition Risks, which are risks related to the general economic landscape's transition to a lower carbon economy. These may be associated with policy actions, litigation or legal, technology, market, and reputational risks.
- ii) Physical Risks, which include (a) acute physical risks that are event-driven, such as, but not limited to, increased severity of extreme weather events like hurricanes, floods, droughts or (b) chronic physical risks that may contribute to shifts in climate patterns such as, but not limited to, sea level rise, increasing global average temperature, and intensifying heat waves.

These assessments are meant to assist CCMP Growth's deal team and IC in identifying climate-related opportunities and risks and inform investment decisions.<sup>3</sup> According to the Task force on Climate-related Financial Disclosures ("TCFD"), climate-related opportunities may include activities, investments, products, or services aligned with efforts to mitigate and adapt to climate change that may improve a portfolio company's competitive position, yield positive financial outcome, or be considered accretive to overall asset value.

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<sup>1</sup> CCMP Growth Investment Committee is comprised of Mark McFadden and Joe Scharfenberger

<sup>2</sup> Adopted from Task force on Climate-related Financial Disclosures ("TCFD") 2017 Recommendations

<sup>3</sup> Adopted from Task force on Climate-related Financial Disclosures ("TCFD") 2017 Recommendations

**IV. Employee Training**

Employees of the Firm are responsible for knowing and complying with CCMP Growth's policies and procedures, including those set forth in the RI Framework and its Portfolio Management Policy. CCMP Growth's ESG Committee will ensure that appropriate responsible investment trainings are provided to its management and employees on at least an annual basis.

**V. Governance Structure**

Oversight for implementing the RI Framework is the responsibility of the IC and ESG Committee. These parties are responsible for ensuring the adoption of the RI Framework throughout the organization and the periodic review of policies and procedures contained within the framework. CCMP Growth may engage external legal counsel and other third-party consultants in conducting these reviews and due diligence procedures as needed.

**VI. Monitoring and Reporting**

At the request of the CCMP Growth's limited partners, the Firm will endeavor to periodically report material ESG highlights and developments, publicly available Transparency and Assessment Reports generated through the PRI annual reporting process and provide responses to diligence questionnaires received that address ESG related matters.