GRAHAM PARTNERS

2022 GRAHAM PARTNERS ESG Report

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Introduction

Letter from **Allison Hernandez Gosselin,** *Director, Environmental, Social and Governance*[1]

We are pleased to share our eighth annual Environmental, Social, and Governance (ESG) report. As the world has faced economic uncertainty over the past year, alongside shifts in workplace dynamics and the seemingly ever-increasing threat of climate change, at Graham Partners,[2] we believe that ESG matters will continue to be a focal point in the future.

As such, we believe it is as important as ever to focus on ESG issues that help our companies compete, while aiming to reduce the negative impacts on people and planet. We endeavor to align our investment activities with our core values and pursue continuous improvement initiatives that we believe will lead to bigger, better, and safer businesses.

You may remember last year's report mentioning a shift in our program – in 2021, our report phased out its previous branding as a "sustainability report" in favor of a more comprehensive Environmental, Social, and Governance lens. Building upon these pillars and the efforts of Graham Partners to date (highlighted in the timeline below), 2022 marked Graham Partners' first full year of implementing our expanded ESG strategy within the portfolio.[3]

Over the Course of 2022, Graham Partners:

- **Integrated an ESG materiality analysis** into our investment evaluation process
- **Developed Graham's "standard work" approach** for ESG value creation during our hold period[3]
- **Enhanced ESG data collection and reporting practices and developed materiality assessments** across most majority-owned portfolio companies[3]
- **Initiated a pilot with EcoVadis** to assess ESG policies and procedures at three portfolio companies

1 Director, Environmental, Social and Governance is a member of the Operations Team and employed by Graham Partners Operating Company, LLC (GPOC). For further information, please refer to the General Disclosures on page 21–22 of this report.

2 Graham Partners, Inc., together with GPOC, "Graham Partners" or "Graham."

3 Graham Partners will endeavor to carry out its ESG strategy across its portfolio, however, the level of engagement with certain investments may be limited, including, but not limited to, non-control investments or non-applicability of E, S, or G to any investment. Thus, any portfolio-wide activities highlighted may not be applicable to certain investments.

Introduction

(continued)

This report highlights Graham's ESG portfolio activities and program enhancements in 2022. Going forward, we anticipate increasing engagement with most of our majority-owned portfolio companies to refine their materiality assessments, further develop their ESG value creation plans, and implement our ESG standard work approach within the portfolio.[3] We anticipate rolling out EcoVadis Sustainability Assessments among additional majority-owned portfolio companies and incorporating the feedback gleaned from this exercise into other companies' value creation plans. Lastly, we plan to establish formal partnerships with additional ESG third-party resources to help strengthen our programmatic approach, both at Graham Partners and at our portfolio companies.

> **We look forward to sharing the results of these efforts with our employees, investors, and other partners over time. Thank you for being a part of Graham's journey.**

2013	Began **conducting on-site energy assessments at portfolio companies** to identify energy savings opportunities
2015	Hired a full-time **Sustainability Director; developed a sustainability policy;** published inaugural sustainability report
2018	Rolled out **an Employee Health & Safety program** within the portfolio
2019	Issued **a diversity statement;** formed a Women at Graham working group
2020	Began systematically **evaluating ESG risks** and **opportunities of investment targets** with the Investment Committee
2021	Developed an integrated, **programmatic ESG framework**
2022	Integrated **ESG materiality assessments** into investment evaluation materials

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Highlights Across the Portfolio

Over the past ten years, we have worked to advance our ESG approach while seeking to create value within our portfolio. We aim to align our ESG program with investment criteria and business practices that yield positive ESG benefits, while firstly striving to enhance investment outcomes through other initiatives, including increasing profitability, reducing risk, enhancing morale, and attracting greater customer demand.

Graham statistics:

78
Graham Partners Employees[4]

14
Full Time Operations Professionals

60+
Operations Executives in the Graham Network[5]

Portfolio statistics:

17
Portfolio Companies[6]

4,200+
Portfolio Company Employees and Contractors Globally[7]

Graham seeks to invest in companies that we believe are spurring innovation in advanced manufacturing across three primary sub-sectors, including:[6]

Industrial Technology

Consumer & Food Manufacturing

Medical Devices & Life Sciences

4 The Graham Partners team is comprised of 78 individuals, of which 59 are employed by Graham Partners, Inc., while 19 are employed by GPOC as of 12/31/2022.

5 Operations executives are not employees of Graham Partners, Inc. Any compensation paid to operations executives is paid by the applicable Graham Partners fund and/or portfolio company. These payments do not off-set any management fees.

6 This list includes all active portfolio companies as of 12/31/2022 across our buyout and growth strategies.

7 This includes part-time and full-time employees on payroll and contracted temporary employees at portfolio companies, including non-control investments as of 12/31/2022, as reported by the portfolio companies.

Signifi Solutions

Fostering positive social impact by addressing food shortages and supporting refugees

Signifi Solutions – designer and manufacturer of loss prevention solutions, including automated dispensing kiosks and smart lockers for retail and corporate automation use

Signifi and the World Food Programme

Signifi Solutions has teamed up with the World Food Programme (WFP) to address food insecurity among refugees worldwide. The WFP put out a design request for a product that could safely hold and dispense food to refugees, and of all submissions, Signifi's innovative design was the one selected to proceed to the pilot phase.

Signifi's CEO, Shamira Jaffer, who lived in Africa until she was 13 years old, is keenly aware of the food security issues plaguing many developing nations and was eager to help. Her team of engineers designed and built a system that safely stores and dispenses food for refugees living in settlements across the globe. The system uses automated kiosks to distribute oil, sorghum, salt, and beans in a fair and accurate manner, while reducing extortion and theft.

The design utilizes hoppers that feed products down to kiosks for distribution. The units are powered by solar panels with backup batteries and control systems that help eliminate heat, humidity, and pests that could affect food quality. Additionally, the unit is designed for easy hardware repairs by local personnel, while Signifi remotely updates and supports the software component as needed.

After a year of design and equipment experimentation, Signifi completed the first prototype in December 2022. The first unit left for Sudan at the end of April 2023 and is scheduled to go live in the near term. If the pilot is successful, it could lead to a significant rollout across many sites and countries, which could give Signifi and the WFP the opportunity to help alleviate food insecurity for refugees worldwide.

In 2021, over 89 million people were displaced due to conflict, persecution, or extreme weather,[8] and 283 million people in 43 countries experienced food insecurity. Through their emergency relief and food assistance services, the WFP was able to provide support to over 128 million people worldwide.[9]

8 Source: https://www.unrefugees.org/refugee-facts/statistics/, 2023
9 Source: WFP Annual Review 2021(https://bit.ly/3NxObyS) page 3, page 12
Note: There is no guarantee that any of the initiatives described herein will be successful or lead Graham's investments to become profitable.

Program Strategy

Graham Partners aims to invest in technology-driven companies that are spurring innovation in advanced manufacturing, and to support those businesses with our operational resources and culture of continuous improvement. We believe our ESG strategy, rooted in our history of sustainability and informed by company, societal, and regulatory trends, complements this goal. We seek to apply our ESG program elements throughout the investment lifecycle, and support tailored value creation initiatives prioritized by relative impact at portfolio companies during our ownership.[10]

With Each Company, We Seek to:

Identify high-level sector risks and opportunities and potential industry niches of interest

Understand ESG potential risks and opportunities, assess the impact of ESG factors on stakeholders, and target areas for improvement

Deploy a standardized operating model with embedded ESG processes and provide ongoing support, tools, and resources to encourage progress and monitor results[10]

In 2022, we focused on laying the groundwork to effectively execute this strategy with current portfolio companies and future platform investments.[10]

10 We believe this effort supports Graham's broader goal of instilling exceptional business practices at our portfolio companies. Graham Partners will endeavor to carry out its ESG strategy across the portfolio, but the level of engagement with certain investments may be limited, including, but not limited to, non-control investments. Thus, any portfolio-wide activities highlighted may not be applicable to certain investments.
Note: Graham Partners' investment strategy is subject to significant risks and there is no guarantee that any Graham Partners Fund will achieve its investment objective or avoid losses.

Investment Origination

We believe that incorporating an ESG analysis into the investment origination process can help highlight important risks and opportunities to consider early in the investment lifecycle. In 2022, Graham Partners focused on introducing tools and concepts that would help the team understand the influence that ESG materiality could have on sourcing.

- The sourcing team began tracking deals that were reviewed and dismissed due to having a negative ESG Impact
- Graham's sourcing team strives to use a formally developed set of ESG risks and opportunities for each sector of focus in their sector review, which is conducted annually
- Under Graham's Investment Theme Program, each investment niche included an ESG impact analysis, including alignment with relevant Sustainable Development Goals (SDGs)[11] and an evaluation of the ESG risks and opportunities from the Sustainability Accounting Standards Board (SASB) framework

At Graham Partners, we are focused on investing in engineering-intensive, technologically-focused businesses with an emphasis on those harnessing additive or disruptive innovations. These innovations can result in product substitutions or disruptions to traditional end markets, which can ultimately lead to increased productivity, utilization of automation, and other ESG-related benefits. Graham leverages its research-based Investment Theme Program ("ITP") to identify businesses with conversion opportunities across a variety of industry niches. To date, we have completed over **~100 ITP studies and closed 19 deals through this program.**

UniversalPure, DESSER AEROSPACE, BrightPet nutrition group, MERCER FOODS, easypak, MYERS EMERGENCY POWER SYSTEMS, MEDBIO, ABX[12], GiraffeFoods A Symrise Group company, BrightSign, PET PLASTICS, VELOSITY, WOODLAND FOODS, DTI, KINOVA, SP, CHELSEA BUILDING PRODUCTS a member of aluplast group, Henry

Surgere

We believe Surgere offers an example of a company benefiting from ESG-related trends that align with criteria we look for during the sourcing process. Surgere offers IoT-based sensors to track reusable containers that transport materials to and from a manufacturer and its suppliers. These containers have the potential to eliminate the need for single use cardboard containers in shipping, and the sensors allow customers to optimize their supply chain, increase upstream raw materials, and keep track of the reusable containers. The company has over 50 million tags in circulation today. Three automotive OEMs and their suppliers account for over 13 million of these tags, which we believe eliminated up to 429 million[13] single use cardboard containers in 2022.

11 Sustainable Development Goals

12 ABX is the combination of two merged businesses that were separately sourced via the ITP and acquired two years apart, and are counted as two investments sourced via the ITP.

13 Each of the company's 13 million containers cycle, on average, every 11 days. This equates to an average of 33 times per year.

Note: Graham Partners' investment strategy is subject to significant risks and there is no guarantee that any Graham Partners Fund will achieve its investment objective or avoid losses.

Investment Evaluation

Over the last year, Graham has continued to expand its ESG diligence scope from compliance with environmental regulations to a more comprehensive environmental, social, and governance scope, determined for each company[14] leveraging the Sustainability Accounting Standards Board (SASB) areas of materiality. We partner with third-party ESG diligence professionals to:

01 Perform a desktop review of material issues,[15] which are presented to the firm's Flagship or Growth Gating Committee, as warranted

02 Develop a focused audit protocol based on our understanding of the company's materiality

03 Conduct ESG diligence audits on environmental and safety risks, product stewardship, and other material ESG risks

04 Identify a set of ESG opportunities, risks, and recommendations, which is presented to the firm's Flagship or Growth Investment Committee for review

The output of this evaluation acts as the input to the onboarding process, and then subsequently, the value creation process.[16]

14 This process applies to all prospective portfolio companies.

15 Review of material issues is based on information provided by the company as well as publicly available information.

16 This level of diligence applies to majority-owned companies of Graham Partners only in 2022.

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Value Creation

Once an investment has been made, we begin working towards our goal of further professionalizing the organization, equipping the management team with accelerated value creation tools, and ultimately building a bigger, better, and safer business during our hold period.

During onboarding, we seek to implement our standard work approach across core disciplines, including finance, operations, revenue, supply chain, and ESG. Graham's ESG standard work approach strives to leverage the programmatic pillars of the International Organization for Standardization (ISO),[17] including leadership, risk identification and mitigation, program governance, and best practice management. During this time, we generally engage the company's management team and work to build upon the preliminary materiality assessment to create a more in-depth, company-specific ESG strategy that incorporates the company's material ESG risks and opportunities.[18]

At Graham, common areas of materiality for our portfolio companies include:

Environmental: compliance and pollution reduction; energy and water conservation; waste minimization and diversion

Social: employee health and safety; product and food safety; workplace diversity, equity, and inclusion

Governance: supply chain management; cybersecurity; financial controls; business ethics

To support ESG program governance, we initiated a pilot with a third-party ESG ratings platform, EcoVadis, to assess the quality of three majority-owned portfolio companies' policies and procedures from an environmental, social, and governance perspective. The companies initiated the assessments in Q4 2022 and received scorecards from EcoVadis in February 2023. EcoVadis awarded all three companies with a "Bronze Medal" in recognition of achieving scores that ranked in the top 50% of all companies in all industries that have completed an EcoVadis assessment, based on the company's 2023 sustainability recognition levels. More information on EcoVadis sustainability recognition criteria can be found on the company's website.[19]

BRONZE 2022 ecovadis Sustainability Rating

All three majority-owned companies piloting this program achieved a "Bronze Medal" rating after their baseline assessment.

17. The assessment focuses on a range of ESG and sustainability topics within four themes: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. International Organization for Standardization

18. Graham Partners will endeavor to carry out its ESG strategy across the portfolio, but the level of engagement with certain investments may be limited, including, but not limited to, non-control investments. Thus, any portfolio-wide activities highlighted may not be applicable to certain investments.

19. Ratings were received in February 2023 and were based on point-in-time information as of December 2022. Graham Partners did not pay to receive this rating directly, but portfolio companies do pay for EcoVadis's services.

Note: Logos contained herein do not reflect an endorsement by or affiliation with such organizations. Graham Partners' investment strategy is subject to significant risks and there is no guarantee that any Graham Partners Fund will achieve its investment objective or avoid losses. Graham Partners will endeavor to carry out its ESG strategy across its portfolio, however, the level of engagement with certain investments may be limited, including, but not limited to, non-control investments or non-applicability of E, S, or G to any investment. Thus, any portfolio-wide activities highlighted may not be applicable to certain investments.

Value Creation

(continued)

Utilizing a SASB Standards materiality assessment, monthly KPIs, and scorecard results from EcoVadis (if applicable), we collaborate with company management teams to develop and execute ESG value creation plans that address companies' top ESG risks and opportunities and align with their business growth strategies. [20]

Materiality assessments, monthly KPIs, and EcoVadis assessments inform each company's specific ESG strategy and priority actions

SASB STANDARDS

Using SASB Standards, a materiality assessment is drafted during due diligence and revised during onboarding

Monthly ESG KPIs are collected

ecovadis

EcoVadis assessment is performed and reassessed annually, and improvement areas are identified

ESG Strategy

ESG strategy developed alongside portfolio company leadership

ESG Priority Actions

ESG priority actions for portfolio company

We are pleased to feature select portfolio company operational improvement projects[20] that took place in 2022 based on their operational continuous improvement plans, and we look forward to working with our companies to implement their ESG strategies and value creation plans in 2023.

20. Not all portfolio companies experienced the same level of operational continuous improvement and not all portfolio companies will experience the same improvement in the future. Graham Partners will endeavor to carry out its ESG strategy across the portfolio, but the level of engagement with certain investments may be limited, including, but not limited to, non-control investments. Thus, any portfolio-wide activities highlighted may not be applicable to certain investments.

Note: We intend to implement SASB materiality assessments during due diligence on all prospective portfolio companies. All steps post-acquisition typically apply to majority owned buyout investments. Logos contained herein do not reflect an endorsement by or affiliation with such organizations.

ESG Priorities: Environment

OptConnect — a one-stop shop provider of managed wireless connectivity solutions for unattended equipment

Recycling Program

From August 2021 — December 2022, OptConnect upgraded over 40,000 3G devices to LTE cellular connectivity, which would have otherwise been retired due to obsolete technology. These upgrades are expected to extend the lifetime of devices by over a decade, while helping to reduce or eliminate connectivity interruption to OptConnect customers.

3G Sunset: As carriers retire 3G networks, 3G technology and devices are becoming obsolete and would require replacement if not upgraded

Recycling Program: OptConnect created a recycling program, encouraging customers to return their 3G devices to OptConnect that would have otherwise been discarded due to obsolete technology

Free Upgrades: Once devices are received, OptConnect installs LTE upgrade kits, reactivates and tests the devices, and returns them to subscription-based customers free of charge

Benefits: We believe this offering encourages customers to join or continue utilizing OptConnect's managed connectivity offering, which includes network sunset protections, has no upfront hardware costs, and enables OptConnect to reuse devices instead of discarding them

KCF's Mission:

"We envision a world with zero injuries, zero waste, and zero unplanned downtime."

KCF Technologies' ESG Initiatives

KCF Technologies ("KCF") is a provider of machine health monitoring solutions that include Software as a Service ("SaaS") enterprise software and hardware along with high-touch engineering support. The company processes thousands of data points securely and remotely in order to provide customers with necessary information on the health of their machines and equipment, allowing for a more rapid response should an issue arise.

We believe KCF's work furthers many ESG-related initiatives for their customers, highlighting solvable problems to increase productivity and identifying areas to lower the risk of negative impact from injuries, machine inefficiencies that cause CO_2 emissions, and more.

KCF's KPIs:

60B+ machine health measurements processed

70,000+ customer downtime hours saved, optimizing essential manufacturing processes

ESG Priorities: Environment

VELOSITY (formerly Teamvantage) — an outsourced manufacturer specializing in clean room injection molding, precision machining, and assembly capabilities primarily serving the medical device industry with four facilities throughout Minnesota

Reduced Oil Consumption & Improved Job Satisfaction

Velosity's Brooklyn Park facility invested in a chip shredding and oil wringing machine, the "Chip-n-ator." The Chip-n-ator is fed metal scraps from their machining process that are coated in the cutting oil used to cool tools. The machine shreds the scraps into small chips and separates the chips from the oil. This process allows the company to recycle the metal chips and reuse the cutting oil in their machining process. Graham believes this has enabled the company to reduce its cutting oil consumption in the manufacturing process by ~72% and is projected to yield an average of $98k in annualized savings. Additionally, the process improvement has reportedly led to improved employee safety and satisfaction with the reduction in oil spillage and exposure and less manual lifting of the chips.

Notable highlights of this initiative include:

- **Projected reduction in cutting oil spend** in 2022 of ~$98k/year [21]
- **Increased ability to reclaim and reuse cutting oil** resulting in ~72% reduction in gallons of oil used in 2022 (4,900 gallons)
- **Improved safety conditions** on the plant floor with the reduction of oil spillage
- **Increased reported job satisfaction** due to the elimination of manual heavy lifting of metal chips
- **Anticipated two-year payback** for the machine, driven by cost savings

Upgraded Chip Processing System[22]

1. Metal scrap is put into the inlet hopper
2. Screw conveyor feeds metal scrap into the conveyor-mounted shredder
3. Dual counter-rotating shafts shear, rip, and tear, creating flowable chips
4. Chips flow through the tramp metal separator
5. Solid chips are blown into a continuous wringer while tramp metals fall into a separate hopper
6. The wringer uses centrifugal force to remove up to 98% of fluids, creating dry chips
7. Fluids pass through a screen and dry chips are discharged
8. Fines are recirculated back into the system for additional process
9. Recovery tank captures reclaimed fluid, which can be recycled and reused

21. Compared to 2021 consumption rates at current price per gallon.
22. Chip-n-ator graphic shown is for illustrative purposes only.

Note: There is no guarantee that any of the initiatives described herein will be successful or lead Graham's investments to become profitable or that any projections will be achieved.

ESG Priorities: Environment

Gatekeeper Systems (“Gatekeeper”) — provider of integrated loss prevention solution technologies that we believe offer retailers innovative, “smart cart” technologies that minimize loss and reduce asset and labor expenditures

Gatekeeper: Reducing Product Footprints

In Graham’s view, Gatekeeper Systems incorporated several sustainability improvements into the redesign of its Shopping Cart Retrieval product in 2022. There were several goals for the design update, many of which were focused on reduction of the materials and waste associated with production and servicing of the units. The primary design goals for the CartManager Ultra were for the unit to perform to the same specifications as its predecessor, with some additional features and benefits, and in a smaller footprint and lower cost. The CartManager Ultra design reduced the number of lead acid batteries required per unit, decreased the amount of steel required for production, reduced the amount of wiring, and simplified the overall assembly process. These material reductions will not only lower the overall footprint of the product, but could also result in meaningful savings for the company over time.

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ESG Priorities: Social

EasyPak — a thermoformed food packaging provider focused on sustainable solutions for healthy and natural foods

Safety Improvement and Turnover Reduction

In October 2021, EasyPak launched a company-wide safety program in an effort to standardize safety practices across its facilities, contributing to a 61% reduction of its LTM Total Recordable Incident Rate (TRIR) from April 2021 to December 2022.

Key elements of the safety program included:

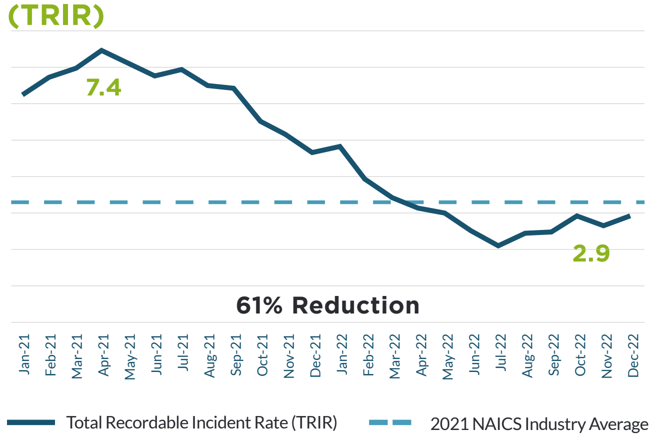
- Identified **top 10 safety issues** of highest importance and greatest risk
- Developed **company safety standards** to roll out across all five manufacturing sites
- Efforts led by a **corporate safety committee,** which includes the CEO, COO, VP of HR, plant managers, and safety leaders
- We believe the program established **accountability for plant managers** and helped celebrate safety accomplishments
- Planned **plant-to-plant audits and visits** to continue to learn and improve

In addition, EasyPak has strived to improve employee turnover since its peak in 2020. From 2020-2022, annual turnover improved by 20%, which we believe is tied to the company's improved safety performance, in combination with the efforts highlighted below.

Key elements of the company's turnover reduction efforts included:

- **Improved interview process,** including participation from plant-level leaders in interviews to enable relationship building and establish candidate buy-in
- Increased focus on **employee engagement**
- Celebration of **service milestones, sales achievements,** and achievement of **safety and production targets**
- Increased commitment to **transparency** from senior leadership, involving its top 25 leaders in refining its sales focus, business strategies, and decision making
- Enhanced emphasis on **leadership development** at all levels

EasyPak's Total Recordable Incident Rate (TRIR)



23. Total Recordable Incident Rate (TRIR) = [Total Recordable Incidents in a Year] × 200,000 / [Total Hours Worked by Employees in a Year].

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ESG Priorities: Governance

Building a Financial Controls System Across the Portfolio

In 2022, Graham Partners developed a process to benchmark the financial and business ethics controls in place at each portfolio company to help ensure the integrity of financial and accounting information, promote accountability, and help prevent fraud. Graham's Operations Team deployed an internal controls process which established an initial compliance baseline and formulated opportunities for future improvements. One long-term goal is to identify controls risks as early as possible and assist each portfolio company with a roadmap for improving as quickly as possible.

Our program evaluates these key areas:

- Cash/Treasury
- Payroll
- Fixed Assets
- Revenue and Accounts Receivable
- Purchasing and Accounts Payable
- Inventory
- Shipping and Logistics
- Governance Summary
- Financial Reporting
- Information Technology
- Anti-Bribery and Foreign Corrupt Practices Act (FCPA)

The initial assessment of existing portfolio companies was completed in 2022, and a standard process has been established to evaluate and score each company annually (with exceptions for changes in personnel or identification of risks). Going forward, we plan to build and deploy short- and long-term action plans based on the initial assessments for any areas identified as higher risk. Our goal is to apply this evaluation process to new investments moving forward.

Debbie Martino,

Director of Portfolio Company Tax and Controls

Debbie joined Graham Partners in 2021 and is responsible for evaluating and implementing portfolio company tax planning strategies across the federal, state, and local tax areas for both direct and indirect taxes. She leads Graham's efforts to implement the Financial Controls program across the portfolio. Debbie has over 15 years of public accounting experience. She earned her B.A. in Accounting from Drexel University and her M.S.T. from Villanova University.

Since Debbie was hired in 2021, she has identified and completed $25.5 million in tax-related Employee Retention Credits (ERC) claims for qualifying portfolio companies (ABX, EasyPak, VPET, OptConnect, Desser, DTI). As of April 2023, $25.3 million has been approved by the IRS.

Note: There is no guarantee that any of the initiatives described herein will be successful or lead Graham's investments to become profitable. We seek to apply the Financial Controls System across all majority-owned portfolio companies.

Program Monitoring

Starting in 2021, we began tracking several ESG key performance indicators (KPIs) across majority-owned portfolio companies. We believe these metrics are strategically aligned with our ESG priorities and areas of materiality and typically correlate with financial and operational improvement within companies. By tracking these metrics by facility and by month, we collect greater insights into the drivers of performance and impacts of the business, and we can use these metrics to track progress over time. The data collected will also inform the ESG strategy of each business in 2023 and beyond.

ESG KEY PERFORMANCE INDICATORS[24]

Portfolio Company	Emissions from Natural Gas ($mtCO_2e$)	Emissions from Electricity Consumption ($mtCO_2e$)	Total Water Usage (m^3)	Total Recordable Incident Rate	Lost Time Incident Rate	Diversity % Female — Senior Leadership	Diversity % Female — All Employees
ABX	7,223	11,991	22,283	1.1	0.5	0%	23%
BrightSign	31	47	1,310	0.0	0.0	8%	19%
EasyPak	830	10,912	16,041	2.9	1.7	0%	51%
Gatekeeper	30	610	4,848	1.4	1.1	11%	41%
OptConnect	16	26	N/A	0.0	0.0	14%	23%
Velosity	236	6,651	9,999	1.2	0.6	30%	34%
VPET	80	9,529	21,624	1.8	0.0	33%	41%
Woodland Foods	632	1,467	11,884	3.6	2.6	50%	52%
TOTAL	**9,079**	**41,223**	**87,990**	**1.9**	**0.9**	**20%**	**36%**

24 ESG Key Performance Indicators includes majority-owned companies as of December 31, 2022, with the exclusion of portfolio companies that are or will be initiating an exit process within 12 months from December 31, 2022. Additional information regarding the selection criteria as well as information regarding all portfolio companies is available upon request. The data reported does not encompass all ESG metrics being collected by Graham Partners. Emissions data includes all major operations and may exclude locations with no manufacturing or assembly. Emissions from Natural Gas includes emissions from the on-site combustion of natural gas. Emissions from Electricity Consumption includes emissions related to on-site electricity usage, which are calculated using zip code specific emission factors based on the mix of fuel sources for that region, utilizing US DOE's eGrid data for US locations and country-level emission factors for non-US locations. Total Water Usage includes water consumed on site from operations. Total Recordable Incident Rate (TRIR) = [Total Recordable Incidents in a Year] × 200,000 / [Total Hours Worked by Employees in a Year]. Lost Time Incident Rate (LTIR) = [Total Lost Time Incidents in a Year] x 200,000 / [Total Hours Worked by Employees in a Year]. Diversity % Female – Senior Leadership = Total Number of Females in Senior Leadership Positions / Total Number of Employees in Senior Leadership Positions. Senior Leadership includes CEO/President and their direct reports. Diversity % Female = Total Number of Females / Total Number of Employees. All figures are LTM, minus diversity figures, which are point-in-time. All data has been provided directly by the portfolio company and has not been verified by Graham Partners or any third party.

Note: There is no guarantee that any of the initiatives described herein will be successful or lead Graham's investments to become profitable.

The Graham Difference

We believe culture and core values build the foundation for Graham Partners and our employees[25]

In 2022, Graham Partners formalized a statement of core values that we seek to promote throughout our firm and portfolio:

Valuing Our People:
We appreciate every voice and perspective, and encourage open communication and collaboration

Forging Strong Partnerships:
Relationships matter to us, and we don't take our responsibilities to our employees, portfolio companies, and investors lightly

Embracing a Growth Mindset:
We continue to thrive in an ever-changing environment by seeking opportunities to get better at what we do

Displaying True Grit:
Recognizing this business isn't for the faint of heart, we tackle adversity with passion and perseverance

Leading Responsibly:
We embrace our role in helping to build more sustainable, safe, and inclusive businesses to ensure a better future for all

Office Renovations

In March 2022, we made our way back to our newly renovated office. During the renovation, we endeavored to utilize responsible and sustainable materials. Some highlights from this project include:

- Installed 5,000+ square feet of Bentley carpet, which is made from 30% recycled material and is Green Label Plus Certified (low VOC count), and utilized backing that is 100% recyclable and reusable
- Incorporated Energy Star certified dishwasher and refrigerator
- Installed 240 LED lights throughout the building
- Utilized Corian Solid Surface countertops, which are 100% reusable

Investing In Our People

In March 2022, we hired Cari Hills, our first VP of Talent Management, to lead human capital, centralize the talent management function, enhance our firm's culture & employee retention, assist in diversity initiatives, and carry out these initiatives with our summer internship program.

25. These are Graham's aspirational core values that we are seeking to achieve.

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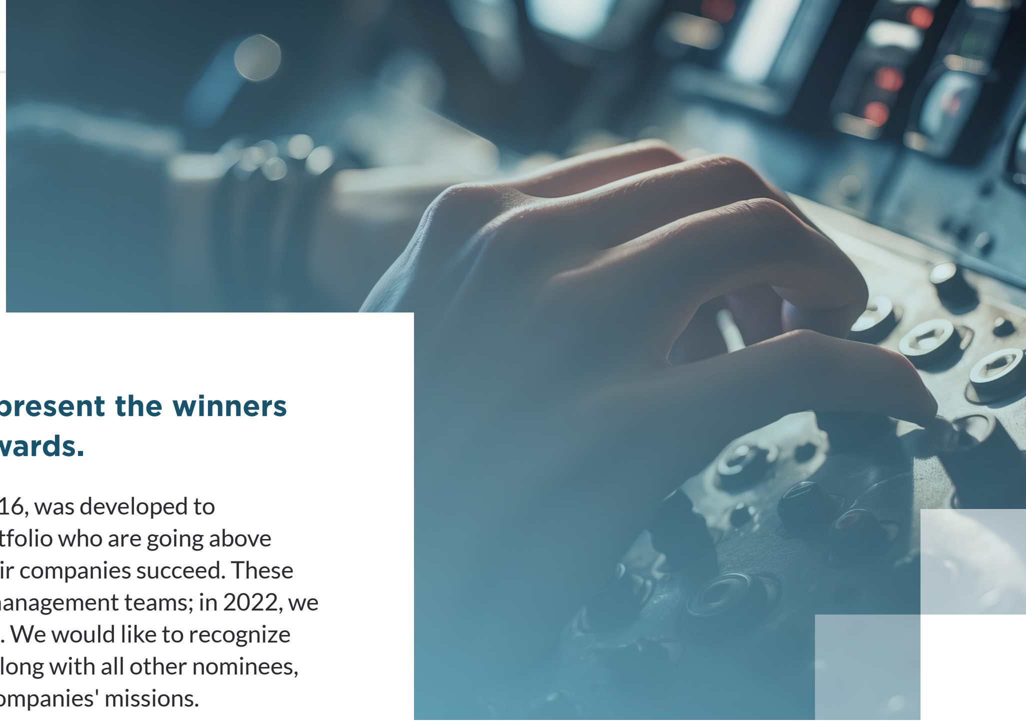

Impact Awards

Graham Partners is pleased to present the winners of its seventh annual Impact Awards.

The Impact Awards program, launched in 2016, was developed to recognize employees within the Graham portfolio who are going above and beyond to drive real results and help their companies succeed. These individuals are directly nominated by their management teams; in 2022, we received 40 nominations from 14 companies. We would like to recognize and thank the four award recipients below, along with all other nominees, for their hard work and dedication to their companies' missions.

I-Hsuan Thompson

Easypak

Pricing Manager

As a new hire, I-Hsuan led the Price Management Initiative, which was a key driver in EasyPak's 2022 performance. Largely as a result of the price initiative, the company's **conversion margin increased by 38%** over its lowest point and 19% over the prior year. This contributed an **added average of $1 million** in monthly conversion margin.

Ryan Harter

Gatekeeper

Global Director of Technical Support

Ryan took incredible initiative in 2022, spearheaded multiple projects, and is a great leader to his team. He was integrally involved in the 4G modem project, where his leadership and efforts led to **increased product availability** and **significantly higher order volumes.**

Pascale Porlier

Kinova

Sales Coordinator

Pascale is a pivotal part of the commercial group at Kinova, where she has streamlined the sales process during her tenure. She navigates through different business verticals flawlessly to ensure the team's goals are reached. The Kinova team said it best: "We cannot recognize Pascale's impact on a single project or achievement, but for the **thousands of smaller actions** she takes upon her shoulders in order to **make our organization a success.**"

Sarah Mazaherian

Woodland Foods

Sales and Customer Experience Manager

Sarah is a strategic thinker and innovator who leads with **confidence and positivity** across various functions to ensure the success of Woodland Foods. She has been involved in and improved numerous processes, including:

- Created an open order tracker to streamline production needs and provide clearer ETAs to customers
- Implemented a Win or Learn concept and prepared detailed training for sales and CXR teams
- Formalized a 1:1 employee coaching and review process
- Implemented quality assurance improvements
- Improved customer facing communication through the complaints process

About Graham Partners

Graham Partners is a private investment firm focused on investing in technology-driven companies that are spurring innovation in advanced manufacturing, resulting in product substitutions, raw material conversions, and disruptions to traditional end markets.

GRAHAM PARTNERS

Graham Partners can offer control or minority capital solutions and typically targets companies with EBITDA up to $50 million. Since the firm's founding in 1988 by Steven Graham, Graham Partners has closed over 150 acquisitions, joint ventures, financings, and divestitures. The committed capital raised since inception through the Graham Partners funds together with Graham-led co-investments totals approximately $4.8 billion, which differs from Regulatory Assets Under Management. Investors include high-net-worth individuals, college and university endowments, foundations, public and private pension plans, funds-of-funds, and other institutional investors. Based in suburban Philadelphia, the firm has access to extensive operating resources and industrial expertise and is a member of The Graham Group, an alliance of independent operating businesses, investment firms and philanthropic entities, which all share in the common legacy of entrepreneur Donald Graham.

General Disclosures

It should not be assumed that any ESG practices or standards described herein will apply to every investment in which the fund invests or that they have applied to all of Graham Partners' prior investments. ESG is only one of many considerations that Graham Partners takes into account when making investment decisions, and other considerations can be expected to outweigh ESG considerations in certain circumstances. While Graham Partners has valued sustainability for a number of years, Graham Partners started incorporating ESG officially into its decision-making processes in 2016, first through its Gating Committee, and then later through its Investment Committee process. Graham Partners endeavors to carry out its ESG program across its portfolio of investments, but the level of engagement with certain investments may be limited, including, but not limited to, non-control investments. Thus, any portfolio-wide activities highlighted herein may not be applicable to certain investments. Any ESG information provided herein is intended solely to provide an indication of ESG initiatives and standards that Graham Partners seeks to apply with an investment as part of the larger goal of maximizing financial returns on investments. There is no assurance that Graham Partners will evaluate the same or all ESG characteristics for every investment. Accordingly, certain investments may exhibit characteristics that are inconsistent with the practices or standards described herein. While Graham Partners seeks to integrate certain ESG factors into its overall investment management processes, including certain of the standards and strategies described herein. There is no guarantee that Graham Partners will be able to successfully apply such standards or strategies or will otherwise be able to successfully implement its ESG policy or make investments in companies that create a positive ESG impact while achieving its investment strategy. In addition, applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Graham Partners, or any judgment exercised by Graham Partners, will reflect the beliefs or values of any particular investor. There are significant differences in interpretations of what constitutes positive ESG impact and those interpretations are rapidly changing. Graham Partners' interpretations and decisions are expected to differ from others' views and could also evolve over time. For the avoidance of doubt, however, Graham Partners does not expect to subordinate the fund's investment returns or increase the fund's investment risks as a result of (or in connection with) the consideration of any ESG factors. Graham Partners' investment strategy is subject to significant risks and there is no guarantee that the fund will achieve its investment objective or avoid losses.

While Graham Partners strives to implement ESG practices, there can be no assurance that Graham Partners will be able to identify all ESG issues. The use of ESG metrics in the investment process may be subjective and are not subject to uniform standards, and, as such, there is no guarantee that Graham will be able to accurately assess and measure the ESG risks and ESG compliance of a Graham Partners fund's investments or potential investments. The impact following the occurrence of an ESG initiative/event may vary depending on the nature of the event, asset class, the region, and applicable regulatory regime(s). Where such an event occurs, there could be a negative impact on the value of an underlying asset or other adverse impacts for the underlying asset, Graham Partners or the Graham Partners funds, including as a result of reputational harm.

Graham disclaims any obligation or undertaking to update or revise any such forward-looking statements. References to portfolio companies are intended to illustrate the application of Graham's investment process only and should not be viewed as a recommendation of any particular security or portfolio company. The information provided about these portfolio companies is intended to be illustrative and is not intended to be used as an indication of the current or future performance of Graham's portfolio companies. The investments described in the selected case studies do not represent all of the investments made by any Graham Partners fund. Case studies included herein reflect only portfolio companies owned as of December 31, 2022 that provided a case study in response to Graham Partners' outreach for example of portfolio company-led ESG initiatives and does not include information on: (1) portfolio companies that have achieved or met certain internal metrics; and (2) portfolio companies that were profiled in Graham Partners' 2021 Environmental, Social, and Governance Report. Certain portfolio companies did not provide any examples of portfolio company-led ESG initiatives in response to Graham Partners' request. Additional information regarding the selection criteria as well as information regarding all portfolio companies is available upon request. For a complete list of all current Graham Partners portfolio companies, please visit https://www.grahampartners.net/portfolio/#current. The information provided herein is for informational purposes only and is not and may not be relied upon in any manner as advice or as an offer to sell or solicit an offer to buy interests in any Graham Partners fund or other product sponsored or managed by Graham or any of its affiliates. Any such offer or solicitation shall only be made pursuant to a final confidential private placement memorandum (as amended and/or restated from time to time) and the applicable Graham Partners fund's subscription documents, which will be furnished to qualified investors on a confidential basis at their request for their consideration in connection with such offering.

The Operations Team is composed of certain GPOC employees and third-party contractors, who provide consulting services to the portfolio companies of the Graham Partners funds and, in certain instances, to the Graham Partners funds themselves, or to Graham Partners, its affiliates and related parties. On a full-time equivalent ("FTE") basis, the Operations Team currently approximates 24 people, and includes 13 full-time employees of GPOC with backgrounds in procurement, manufacturing operations, FP&A (financial planning and analysis), revenue enhancement, sustainability, tax and financial controls, among other areas. This FTE approximation does not include time spent by GPOC employees and others related to fund accounting, valuation and other administrative services, which are generally charged to the Graham Partners funds. GPOC is a wholly owned subsidiary of Graham Partners and has been subject to annual audit by the independent auditor of the Graham Partners funds since its inception in 2008. GPOC's services are provided by GPOC staff, outside specialty consulting firms or operations executives who operate as third-party contractors to the portfolio companies of the Graham Partners funds and, in certain instances, to the Graham Partners Fund entities themselves, or to Graham Partners, its affiliates and related parties. As further described below, since its inception, GPOC has operated at a break-even, passing through compensation and overhead costs with no mark-up, subject to annual audit by the auditor of the Graham Partners funds. In conjunction with an acquisition of a portfolio company, GPOC may receive a prefunded amount of cash from the portfolio company to be used to pay for future GPOC services, related expenses, or other expenses as directed by the portfolio company. Upon the sale of the portfolio company, any unused prefunded amounts are returned to the portfolio company by GPOC. GPOC's consulting services are subject to consulting agreements with the applicable portfolio companies. The operational consulting, accounting and other specialized advisory services GPOC provides to the Graham Partners funds and their portfolio companies are passed through by GPOC with no mark-up and are disclosed in the quarterly financial statements and annual audited financial statements of the Graham Partners funds. In addition to the services provided by operations executives, GPOC also employs certain accounting and other personnel who provide fund accounting, reporting and valuation services to certain of the Graham Partners funds, as well as information technology services to certain of the portfolio companies. GPOC is an alternative to the outsourcing of such services to third parties, and Graham Partners believes that outsourcing would result in higher costs for the portfolio companies and the Graham Partners funds. GPOC's services reflect pass-through expenses provided at cost, and its costs are intended to be at or below market rates, with GPOC operating at break-even; for the avoidance of doubt, the compensation and related costs and expenses incurred by GPOC, including overhead such as rent, office renovation costs, furnishings, technology, insurance, property taxes, and utilities allocable to the workspaces related to these services are also passed through to the Graham Partners funds, the portfolio companies or Graham Partners, its affiliates and related parties, as applicable, at cost, and no substantial cumulative net income is generated for Graham Partners or any affiliate thereof, including GPOC. GPOC has been subject to an annual audit by the independent auditor of the Graham Partners funds each year since its inception in 2008, and has operated at a break-even every year since its inception. In addition, the independent auditor of the Graham Partners funds is commissioned to perform additional accounting procedures related to GPOC. This procedure provides a line-item summary of the financial statements of GPOC dating from 2010 through the most recent applicable fiscal year end, as reflected in the annual audited financial statements of Graham Partners. In accordance with the terms of the applicable limited partnership agreements, portfolio companies of the Graham Partners funds customarily grant stock options and other incentive equity directly to management, board members who are not employees of Graham Partners, external operations executives and in certain cases to GPOC, its affiliates or GPOC operations executives who advise the portfolio companies; such equity incentive awards (and any amounts paid in respect thereof) are not subject to off-set, are in addition to other payments made to such recipients, if applicable, and, with respect to such equity and similar awards paid to GPOC, its affiliates and GPOC operations executives, constitute costs that are borne by the portfolio companies and, indirectly, the Graham Partners funds and other equity investors in the portfolio companies. The presence of such options and/or other equity-linked incentives may be dilutive and are considered in connection with the quarterly valuation process for each of the Graham Partners funds. For the avoidance of doubt, other than grants to GPOC, its affiliates or GPOC operations executives, any such equity incentives that may be granted to Graham Partners or its employees are subject to off-set. However, any historical options, equity-linked incentives or compensation rights related thereto that may have been granted to employees of GPOC, who subsequently become employees of Graham Partners, remain in place in connection with their previous service and are not subject to off-set. Graham Partners believes that outsourcing would result in higher costs for each of the Graham Partners funds and the portfolio companies, considering both the cost of GPOC's service fees and any equity-linked incentives. Options or other equity incentives are granted to GPOC or its affiliates by certain portfolio companies of certain of the Graham Partners funds, but not all portfolio companies. Those portfolio companies which grant such options or equity-linked incentives to GPOC or its affiliates do so subject to an agreement with GPOC or its affiliates, and the equity-linked incentives are typically contingent based upon various performance metrics or liquidity provisions correlating with increases in portfolio company value during the period in which the applicable Graham Partners Fund owns an interest in the portfolio company. For the avoidance of doubt, if a portfolio company increases in value and the options or equity-linked incentives that were granted also appreciate in value, the portfolio company that provided such incentives may implicitly compensate GPOC at a different imputed rate than when no appreciation has transpired at all or when no options or other equity incentives were granted in the first place. Therefore, certain portfolio companies and other recipients of GPOC's services, including Graham Partners, its affiliates and related parties, which do not grant options or other equity incentives to GPOC or its affiliates, may receive GPOC's services at a lower effective cost than portfolio companies which have granted options or other equity incentives to GPOC or its affiliates. The presence of such options and/or other equity-linked incentives may be dilutive and are considered in connection with the quarterly valuation process for each of the Graham Partners funds. As described above, compensation arrangements for operations executives may include compensation payments (including salary, bonus, payroll taxes and benefits) and reimbursement for overhead (including rent, property taxes and utilities allocable to the workspaces), an annual fee or retainer, a discretionary bonus, a success fee (in the form of cash or equity) based on predetermined targets or milestones, a profits or equity interest in the applicable portfolio company or other incentive-based compensation. Any payments made to an operations executive, directly or through an affiliate of Graham Partners, including GPOC or its affiliates, will be retained by such operations executive and will not reduce the management fee or any other fees otherwise payable to Graham Partners or its affiliates and will not benefit the Graham Partners funds or the Graham Partners funds investors. For further information regarding GPOC, please refer to Part 2A of Graham Partners' Form ADV, available on the Investment Adviser Public Disclosure website.

It should not be assumed that any investment described herein were or will be profitable. It should also not be assumed that investments made in the future by any fund managed by Graham Partners will be comparable in quality, diversity or performance to this investment.

Targeted information and projections are provided for informational purposes only and there can be no assurance that any targets or projections will be achieved, and investors may lose invested principal. While any projections, forecast information or estimates provided (the "Estimates") are based on assumptions that Graham Partners believes are reasonable under the circumstances, the actual results will depend on, among other factors, future operating results, availability and terms of financing, the value of the assets and market conditions and any related transaction costs, all of which may differ materially from the assumptions on which the Estimates are based. The inclusion of any Estimates should not be regarded as an indication that Graham Partners considers such Estimates to be a reliable prediction of future events, and the Estimates should not be relied upon by investors.

Parties should review Graham's Form ADV filed with the Securities and Exchange Commission (SEC). Certain of the information contained in this report represents or is based upon forward-looking statements or information. Forward-looking statements are inherently uncertain, and changing factors, such as those affecting the markets generally, or those affecting particular industries or issuers, may cause events or results to differ from those discussed. Therefore, undue reliance should not be placed on such statements, or the conclusions drawn therefrom, which in no event shall be construed as a guarantee of future performance, results, or courses of action.

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