

2022 ANNUAL IMPACT REPORT

Disclosures

Information regarding specific *L Catterton* portfolio companies presented herein is provided for illustrative purposes only. The information is meant to provide a general background regarding certain ESG initiatives undertaken by *L Catterton* and its portfolio companies. These companies do not represent all investments and not all portfolio companies have employed the level of ESG practices, initiatives, or metrics as those presented in this report. There is no assurance that *L Catterton* or any of its portfolio companies will be able to employ the same ESG practices and initiatives or attain the same level of metrics in the future.

This information included in this Report is presented for informational purposes only. This Report shall not constitute an offer to sell or the solicitation of any offer to buy an interest, security, or investment product.

The information included in this Report is only current as of the date indicated and may be superseded by subsequent market events or for other reasons. Certain information contained in this Report has been obtained from third party sources. While such information is believed to be reliable for the purposes used herein, *L Catterton* has not independently verified such information and makes no representation or warranty, express or implied, as to the accuracy, correctness, reasonableness, or completeness of the information contained herein.

Goals related to *L Catterton's* ESG efforts are aspirational and are not guarantees or promises that such goals will be met or successfully implemented and make investments in companies that create a positive impact or outcome while enhancing long term value and achieving financial returns. Certain information contained herein relating to responsible investment goals, targets, intentions, or expectations reflect current thinking and may be subject to change, and no assurance can be given that such goals, targets, intentions, or expectations will be met. Further, there is no guarantee that *L Catterton* will remain a signatory, supporter, or member of any responsible investing initiatives or other similar industry frameworks cited within this Report.

TABLE OF CONTENTS

3 CEO Statement

4 Our Path to Responsible Investing

5 Our ESG Approach

2022 Highlights

Our Firm at a Glance

Overview of ESG Integration in Our Investment Process

ESG Areas of Focus

The ESG Imperative for Consumer Businesses

Feature: An Interview with Impact Fund Partners

The L Catterton ESG Ecosystem

Feature: Malk Partners

Feature: Independence Point Advisors

20 Environmental

Our Commitment to Sustainability & Climate Change Mitigation

Case Study: *Kodiak*

Case Study: *Kokolu*

Case Study: *Shibuya Upper West Project*

28 Social

Bolstering Workplace Equity Across Our Global Portfolio

Feature: PRISM

Case Study: *Crediclub*

Case Study: *MERIT*

Case Study: *AWWG*

38 Governance

Global Cybersecurity and Compliance Program Updates

Feature: B Corp certification

Case Study: *GANNI*

Case Study: *FEMME*

Case Study: *Odonto*

45 Our Community

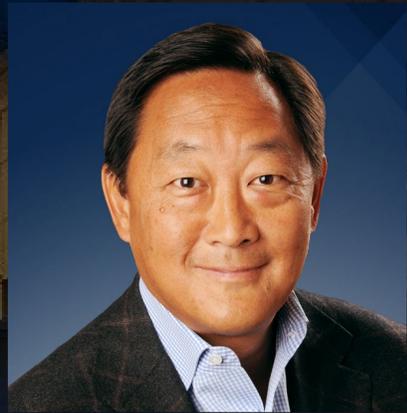
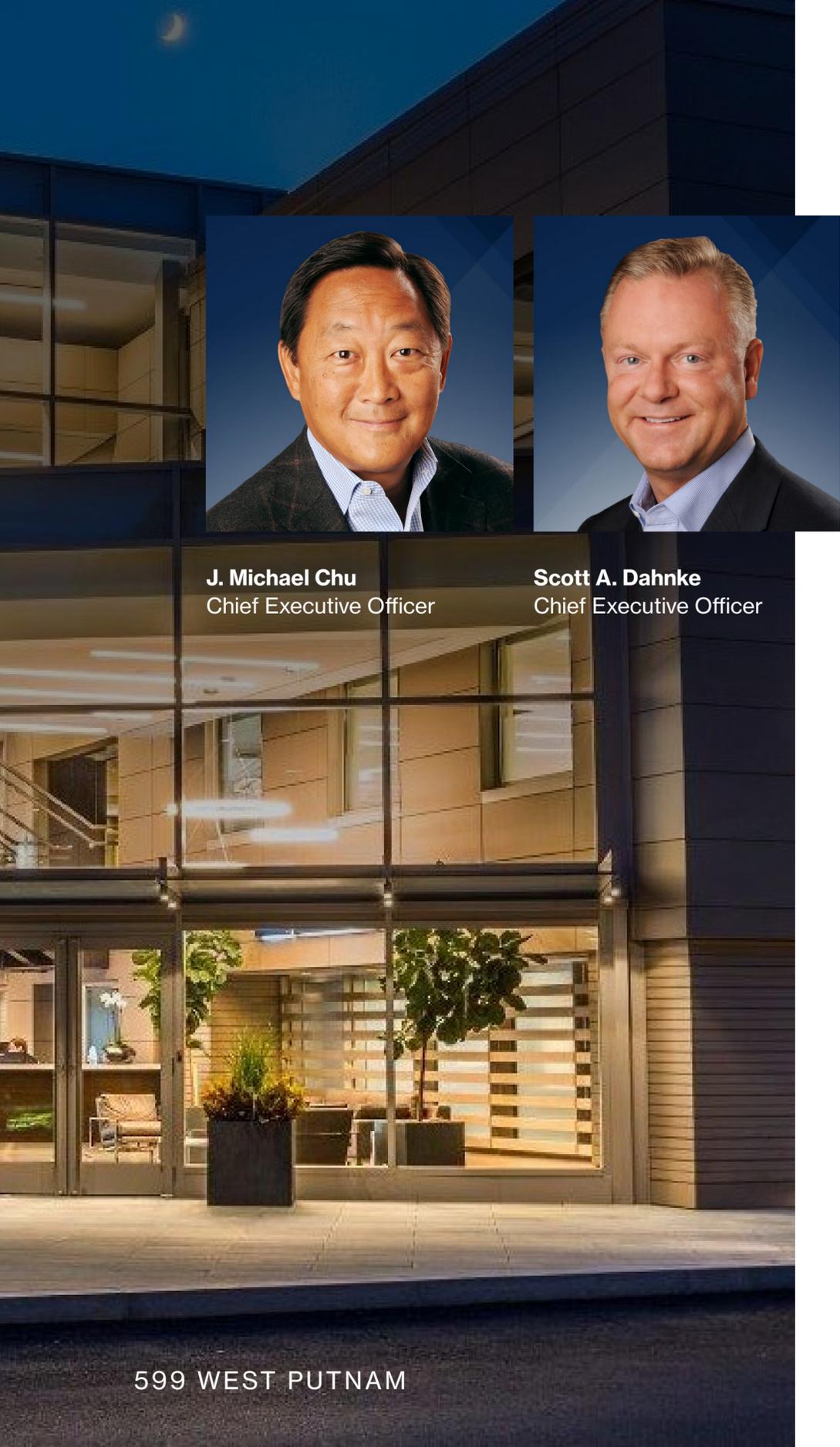
Our Focus on Diversity, Equity, & Inclusion

Supporting DEI Integration in the Industry

Investing in Our Team

Giving Back to Our Community





J. Michael Chu
Chief Executive Officer



Scott A. Dahnke
Chief Executive Officer

CEO STATEMENT

For over three decades, *L Catterton*'s dedication to sustainability has contributed to our differentiated investment approach. Our mission of delivering outsized returns remains firmly rooted in our ambition to engender a more sustainable future. We are honored to share and proud to celebrate our accomplishments in the third edition of our annual Impact Report.

Today, more than ever, we believe that value creation is not only about generating financial returns, but also driving positive environmental and social impact in the communities where we live and operate. Leveraging the strong foundation we have built over the course of our firm's history, 2022 provided more opportunities for *L Catterton* to broaden our programs, expand our network, and deepen our impact. As consumer investors, we recognize that environmental and social concerns are increasingly influencing consumer behavior.

Last year, we announced the launch of our new Impact investing strategy, *L Catterton Impact*. We have undertaken significant efforts so that this new fund strategy qualifies for the highest and most ambitious designation within the EU Sustainable Finance Disclosure Regulations, Article 9, underscoring our commitment to advancing sustainability objectives through fund investments.

Moreover, PRISM, our proprietary program focused on developing female executive leaders and advancing the management of our operational footprint, completed its second year, offering a new cohort of 20 female executives the opportunity to bolster success in board director positions.

At the portfolio level, several of our existing investments achieved B Corp certification, earned public recognition for their accomplishments in diversity, equity, and inclusion (DEI) and with our continued support, made strides toward improving their environmental stewardship. We were particularly proud that *GANNI* was recognized by *Private Equity Wire* for "Best Corporate Sustainability Strategy" following its industry-leading B Corp score. Finally, we are excited to continue supporting the objective of providing all employees of our portfolio investments with the opportunity to build wealth at work as founding members of Ownership Works.

We remain both humbled and inspired by the great work being done at all levels of our organization. Our gratitude, however, extends well beyond the limits of our firm as we recognize that our collective accomplishments are only made possible by the partners whose support and shared commitment allow us to remain steadfast in our collective pursuit to affect positive change.

WITH TREMENDOUS THANKS,

Scott & Michael

OUR PATH TO RESPONSIBLE INVESTING

The achievements highlighted below represent the development and progress of our ESG program, with a focus on our most recent achievements. We recognize the path of progress is strewn with opportunity and we are committed to what lies ahead.

2015

Formalized global ESG policy based on principles of the **UN Principles for Responsible Investment (UN PRI)** and the American Investment Council Guidelines for Responsible Investment

2017

Became founding signatories at the launch of the **CEO Action for Diversity & Inclusion**

2019

Signed UN PRI
As founding signatories, Scott Dahnke and Michael Chu helped to launch **ILPA's Diversity in Action** initiative

2020

Achieved 2020 **Great Place to Work** certification
Featured in **Private Equity International's** "30 Big Ideas Shaping ESG: Due Diligence"
Launched FedEx carbon footprint initiative
Launched partnership with **Him for Her** to expand our network of diverse executives

2021

Achieved 2021 **Great Place to Work** certification
Wrote letter in support of **NASDAQ** diversity rule
Published inaugural impact report
Expanded ESG Committee
Completed our first annual ESG training for all employees

2022

Achieved 2022 **Great Place to Work** certification
Joined the **ESG Data Convergence Initiative (EDCI)**
Became a founding member of **Ownership Works**, a nonprofit organization that partners with companies and investors to provide employees with the opportunity to build wealth at work
Launched **PRISM**, our proprietary initiative to support executive and board-level diversity, with particular focus on female leaders
Contracted **Persefoni** to begin tracking Firm-level GHG emissions
Announced the launch of our Impact Fund

2023

Featured by **IFC** for empowering women in leadership in Latin America
Awarded by **Private Equity Wire** for Best Corporate Sustainability Strategy in collaboration with **GANNI**
Initiated inaugural year of **EDCI** reporting
Partnered with **Citizens Bank** in a pilot carbon offset program
Engaged **Independence Point Advisors** to support/educate our portfolio companies on ESG strategy implementation and IPO readiness
Signed onto the **France Invest Charter**



1

OUR ESG APPROACH



2022 ESG HIGHLIGHTS

FIRM WIDE

1st Quartile

Americas Ranking for Women in Investment Roles in McKinsey's State of Diversity in Global Private Markets study

20

Number of participants in our PRISM program, aimed at developing female executive leaders

72%

of non-public portfolio companies responded to L Catterton's 2022 ESG survey, including 77% where L Catterton has greater than 20% of the board seats¹

100%

of workforce completed ESG training

PORTFOLIO LEVEL²

20%

of portfolio companies were awarded environmental certifications

62%

of portfolio companies provided professional training and other workplace development opportunities

Certified
B
Corporation

4 Companies
Achieved B Corp Certification

6 Companies
In process of B Corp certification

The infographic features a dark blue background with a faint image of a crowd. At the top is the B Corp logo. Below it, two large numbers '4' and '6' are displayed in a teal color, each followed by the text 'Companies' and a description of their certification status.



OUR FIRM AT A GLANCE

FIRM OVERVIEW

~\$34B AUM | 9 strategies | 5 continents = 90% of Global GDP | 17 offices



OUR STRATEGIES

Flagship Buyout Growth Latin America	Europe Asia RMB	Impact Real Estate Private Credit
--	-----------------------	---

OUR VALUES

At L Catterton, our commitment to ESG integration is informed by our core values, which inspire us to reach for continuous growth and improvement in all we do.

Commitment to Excellence	Creativity	Courage
Continuous Improvement	Character	Candor
Collaboration	Curiosity	Low Ego

Furthermore, as a consumer investor, our research-guided investment trends overlap with prominent ESG topics.

Sustainable Products	Retail Disruption	Lab-to-Table Food	Humanization of Pets
Automation in Restaurants and Retail	Outdoor Adventure Lifestyle	Disruption in Mobility	Consumerization of Financial Services

OVERVIEW OF ESG INTEGRATION IN OUR INVESTMENT PROCESS

UNDERWRITING

PORTFOLIO STEWARDSHIP



ONGOING SUPPORT AND ADVISORY

At L Catterton, we continuously strive for maximum ESG implementation across our portfolio. As such, we aim to identify strategies that promote ESG progress at our portfolio companies throughout the investment hold and beyond.¹ Examples include:

1. Within our Latin America Fund, we have supported many of our portfolio companies to create an ESG committee at the Board level. At least one member of the L Catterton team is part of each

committee directly helping to drive new initiatives, such as B Corp certification for our portfolio company *FEMME* (see page 43 for more detail).

2. We regularly connect our portfolio companies with resources to support their ESG strategies, engendering a wide network of partners covering aspects of ESG that are most material to our businesses (see page 17 for a list of our ESG partnerships).

¹ L Catterton's level of involvement and influence varies for each portfolio company dependent on a number of factors. ESG initiatives detailed in case studies featured throughout this report do not necessarily reflect direct involvement or implementation from L Catterton.

BIRKENSTOCK: UNDERWRITING



Founded in 1774, *Birkenstock* is a global shoe manufacturer brand known for producing sandals and other shoes. Based in Germany, *Birkenstock's* vertically integrated manufacturing base allows for supply chain transparency, localized production capabilities, and the production of high-quality products.

STRATEGY
BUYOUT / EUROPE / ASIA

YEAR OF INVESTMENT
2021

Sourcing



Due Diligence



Investment Committee



In evaluating the initial opportunity, *L Catterton* appreciated *Birkenstock's* unwavering corporate ethos, rooted in its centuries-long tradition of craftsmanship, commitment to using only quality materials, transparent and responsible operations made in Germany, and materials sourced in Europe.

L Catterton worked with Malk Partners to conduct confirmatory ESG due diligence. ESG due diligence did not identify any material risks and found that *Birkenstock* is well positioned to capitalize on growing sustainability and ESG trends post-investment.

The Investment Committee found that *Birkenstock's* unique approach to manufacturing and brand identity allow the company to command strong profitability while delivering high-quality products.

L Catterton identified that these elements translate to a strong brand identity and a customer base that understands what the company stands for – themes that made *Birkenstock* a compelling investment opportunity.



“ At the most fundamental level, we love what the *Birkenstock* brand stands for – a commitment to function, quality, and tradition – that has been molded over hundreds of years. This deep sense of responsibility manifests across all facets of the company and the brand, from the high degree of control it maintains over its entire supply chain, to its focus on creating products of only the highest quality and durability. It’s rare to see that level of integrity, particularly for a brand with as broad and democratic a reach as *Birkenstock's*. ”

– LUCY CHEN, PRINCIPAL

BIRKENSTOCK: PORTFOLIO STEWARDSHIP

Plan Implementation

L Catterton aligned behind management as they executed on its value creation plan, predicated on long-term controlled growth that enables *Birkenstock* to remain authentic to its brand and corporate ethos (which includes a commitment to maintaining its vertically-integrated, European supply chain).

Monitoring and Reporting

ESG monitoring is conducted annually. In the three years of ESG monitoring, *Birkenstock* has executed on several ESG recommendations, including developing a formal supplier audit program. No red flags or high-risk issue areas have been identified during monitoring.

Ongoing Support and Advisory

With L Catterton's backing, *Birkenstock* has engaged additional advisors to support the company in enhancing its ethical business practices.

Birkenstock hired a Head of ESG in 2023 to develop an ESG roadmap, oversee data collection, and support bespoke initiatives.

Ongoing Support and Advisory

Looking ahead, L Catterton will continue to support *Birkenstock* in codifying its sustainability commitments into internal systems, policies, and procedures.

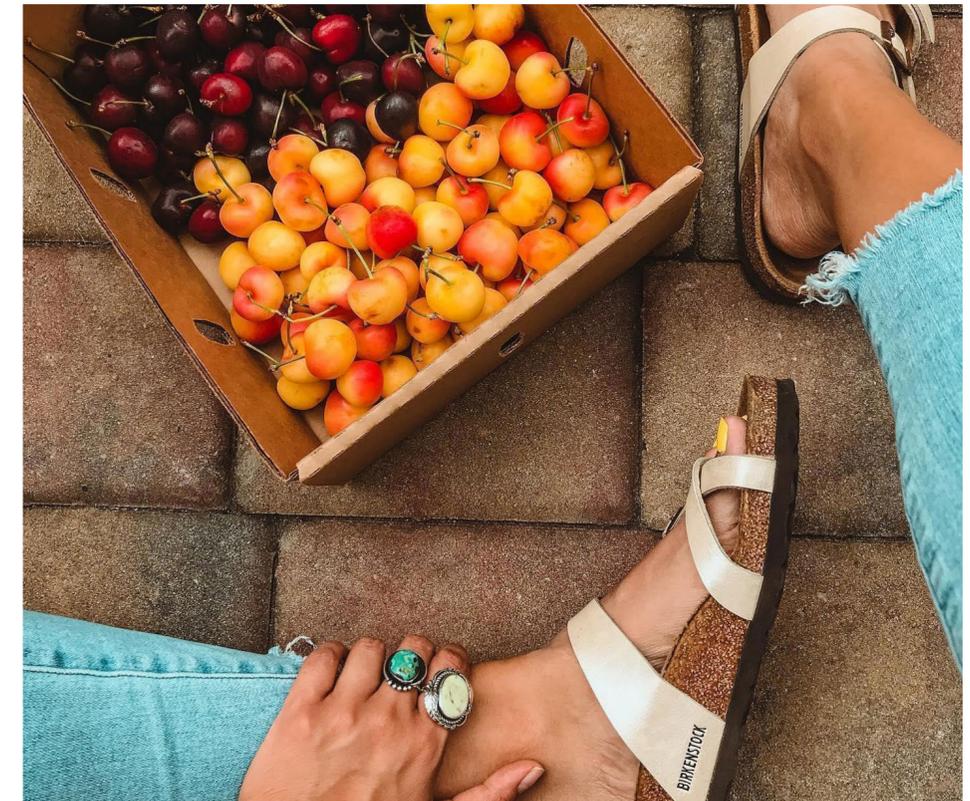
As *Birkenstock* accelerated its value creation plan, an **expansion of production capacity** was needed. L Catterton **supported management's decision** to continue investing in **local production and logistics** by opening a new facility in Northeast Germany in 2023. An additional investment was made in Portugal to add additional supply, which will come online in 2024. **Together, these investments allow *Birkenstock* to maintain strong supply chain and production oversight vs. outsourcing to lower cost locales.**

PASEWALK FACILITY – GERMANY

- **1,000 employees upon completion of a full roll-out**
- First facility that can run 100% on fossil-free energy sources (gas only as a contingency)
- Powered by a self-generated, 2.4 megawatt photovoltaic system that can supply up to 30% of the facility's energy needs

AROUCA FACILITY – PORTUGAL (IN CONSTRUCTION)

- **600 employees upon completion of a full roll-out**
- State-of-the-art production facility with own quality and logistics structure, Technical Development Center and LEED certification for highest environmental standards
- Kindergarten, transportation service, social rooms inside and outside, training school and canteen



BIRKENSTOCK (CONTINUED)

Key sustainability themes identified in underwriting and supported through stewardship:

The vast majority of manufacturing is based in Germany (95%, with 5% in Portugal) to ensure **strict product oversight** and maintain **vertically integrated manufacturing**, rather than offshoring production

Over 90% of materials and components are sourced from Europe, allowing strong **supply chain transparency**

A significant percentage of materials used (cork, latex, leather, wool) are from **natural, sustainable, and regenerative sources**

Shoes can be resoled and repaired for increased use, **encouraging longevity**

Without compromising on quality, durability and function, shoes are offered at a variety of price points – from standard models to luxury partnerships – allowing for **product accessibility**

The footbed design reflects the anatomy of the human foot, designed to **encourage the natural walking motion and promote foot health**

All suppliers must adhere to the Company's **Code of Conduct**, which includes strong social, labor, and environmental standards

The Company' maintains **strong sustainability oversight** with a with a dedicated department coordinating and managing company-wide ESG related matters



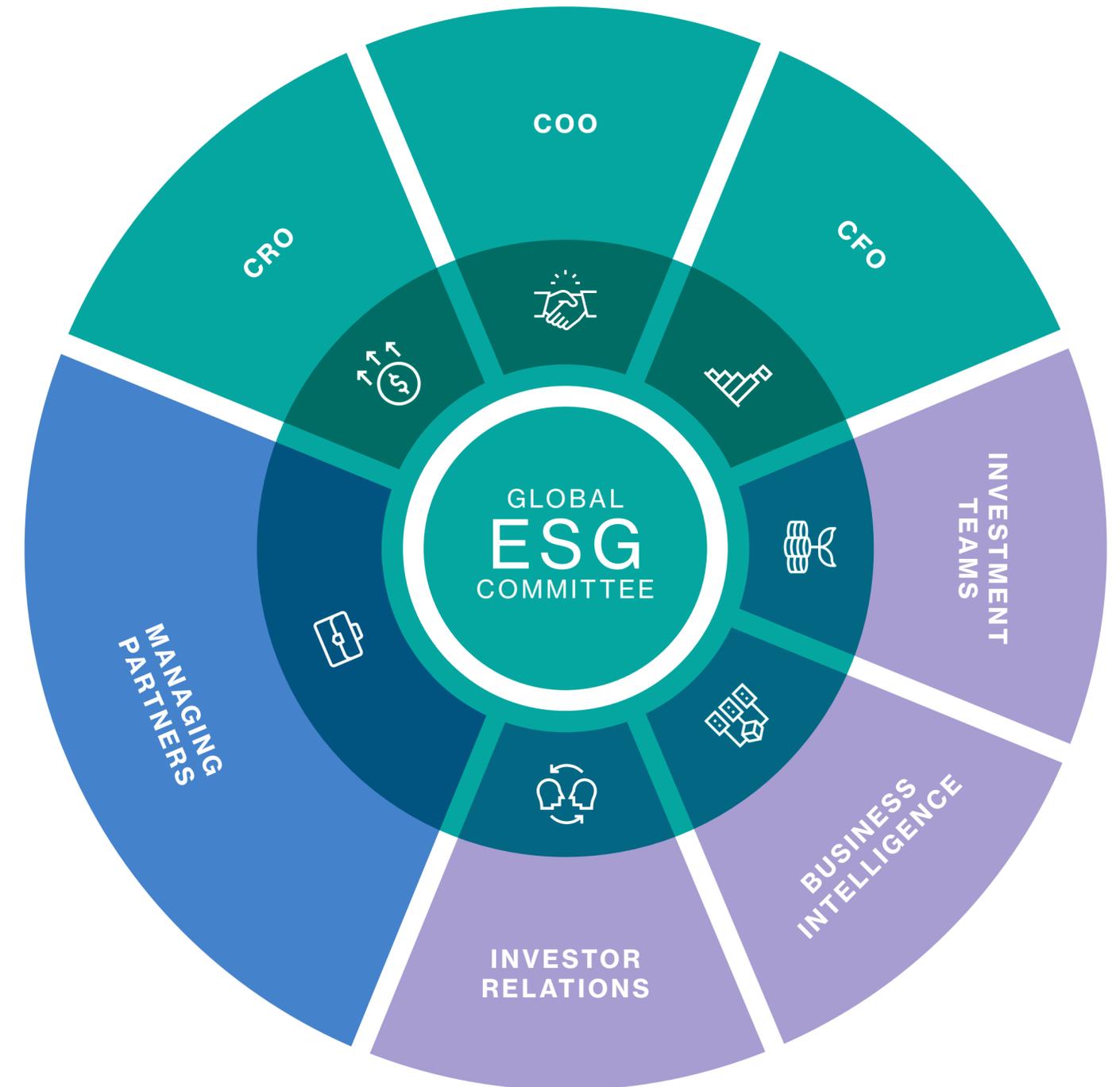
“ We are highly committed to quality and delivering products with utmost longevity to enable high life expectancy. ”

GLOBAL ESG COMMITTEE

L Catterton's cross-functional Global ESG Committee is composed of representative individuals from different regions, departments, and strategies, all working together to advance L Catterton's ESG strategy and initiatives. While each member of the L Catterton team plays a role in advancing our ESG commitments, the ESG Committee sets the strategic direction for our responsible investment and stewardship initiatives. Together, the Committee is responsible for facilitating our firm's continued adherence to our ESG Policy and takes a proactive approach to all ESG-related considerations.



At minimum, bi-annually, the ESG Committee meets to discuss new and ongoing initiatives, review portfolio metrics on ESG performance, and look ahead to plan for upcoming events. Focus areas for 2023 include enhancing the Firm's commitments to DEI, climate, and ESG data. The committee also reviews and approves periodic updates to L Catterton's ESG processes to continue driving progress toward our sustainability goals.



ESG AREAS OF FOCUS

CLIMATE CHANGE

As consumer investors, we aim to support our portfolio in climate change mitigation efforts. To read more on the efforts to address Climate Change risks and opportunities, see page 21 in the environmental section.

SUPPLY CHAIN MANAGEMENT

Responsible sourcing practices are key to ESG management in the consumer sector and an important focus to ensure human rights are protected throughout the value chain. See page 36 for a feature on our portfolio company, AWWG, and its progress on supply chain matters.



DIVERSITY, EQUITY, AND INCLUSION

At L Catterton, we know that DEI in the consumer sector contributes to innovation and greater responsiveness in consumer trends. We aim to support increased diversity at the executive and leadership levels, especially through our flagship board diversity program, PRISM, which is described on page 30 in the social section.

SOCIAL AND LABOR CONDITIONS

We continue to support our portfolio in adopting strong human capital practices to build engaged, productive workforce cultures. To read further on our efforts in this area, see page 29 in the social section.

- ENVIRONMENTAL
- SOCIAL
- GOVERNANCE
- STRATEGY

THE ESG IMPERATIVE FOR CONSUMER BUSINESSES

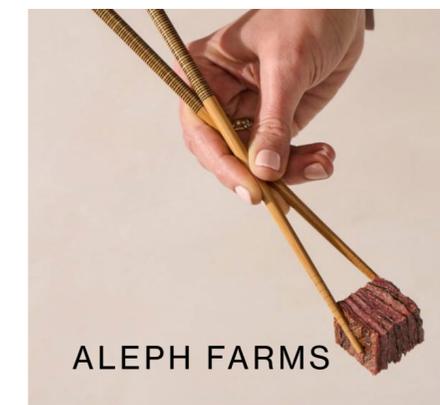
As consumer preferences move in lock step with ESG trends, we are paying close attention to sector-wide shifts that will impact our portfolio in the long-term.

Within the consumer industry at large, the ability to capitalize on ESG and sustainability themes has become a major differentiator for brands, opening up value creation opportunities to companies that are able to successfully communicate and live out a commitment to responsible business practices. Consumers have expressed preferences for companies who are actively managing their ecological footprint, supply chain practices, and social impact, with more than 70% of consumers in a 2022 Bain & Company survey expressing willingness to pay approximately 10-25% more for sustainable alternatives. We believe this rising preference is structural and not merely attitudinal; with the rise of digital and mobile technology, transparency into brands' practices is greater than ever before. Moreover, social media enables consumers to hold brands to greater account than ever before. Not surprisingly, then, these structural factors are most prevalent among the younger, more digitally-engaged generations of consumers, with millennials driving growth among ESG-

focused brands – a group that is expected to become the largest spending group by age in the next five years. L Catterton recognizes that businesses that are able to meet these growing consumer demands have the potential to increase brand loyalty, capture sustainability premiums on products, and win new customers. Investing in and supporting companies who are responding to these industry insights is a core intention of our future ESG strategy.

IN RESPONSE TO THESE TRENDS, OUR STRATEGY AIMS TO BE TWO-PRONGED IN NATURE:

1. In recent years, L Catterton has increasingly sought out **investments within sustainability themes such as alternative protein** (NotCo, Aleph Farms), **inclusive fashion** (ThirdLove), and **financial mobility** (CrediClub), identifying and investing in companies whose offerings aim to be more sustainable alternatives to traditional products.



2. **Post-investment**, L Catterton is beginning to strategically consider areas in which we are well positioned to guide investments across the portfolio, prioritizing the value creation opportunities most aligned to the business operations and customer base. ESG best practices and sustainability opportunities look different and require bespoke guidance from business to business. We aim to begin pursuing more collaborations within our portfolio and identifying new methods to support our portfolio companies to capitalize on ESG related consumer trends.

IMPACT FUND PARTNERS

AN INTERVIEW WITH
MICHAEL O’LEARY
& **TEHMINA HAIDER**



Michael O’Leary
Partner



Tehmina Haider
Partner

Recently, PEI published its “[Responsible Investment](#)” issue, a special report examining how impact and sustainability considerations have continued to grow within private markets. The report explored the different ways private equity firms have successfully incorporated impact into their investment strategies.

An interview with Tehmina Haider and Michael O’Leary, co-leads of *L Catterton’s* Impact Fund, was highlighted as the keynote feature – see excerpts from the full interview:

***L Catterton* recently launched a consumer-focused impact investing platform; how are consumer attitudes towards impact evolving?**

Tehmina Haider: Consumers are increasingly focused on mission orientation and impact as they determine which brands and products

to bring into their homes, their kitchens, their closets and their lives. Severe environmental challenges, profound disparities in health outcomes and persistent inequality have all been apparent in the U.S. for decades. But consumers are now connecting those challenges to how they shop and engaging with brands to assess what they are doing to respond.

Data from Stifel suggests more than 80 percent of consumers are seeking brands that focus on sustainability and good community stewardship. Further, Ipsos research found that nearly two thirds try to buy brands that fit their personal values, up from only half a few years ago. This is true across all consumer segments, but is particularly apparent among younger generations – millennials and Gen Z – which is where purchasing power is poised to grow most significantly over the next decade.

Today, many of the fastest growing consumer companies in the world, and certainly some of the most successful investments that *L Catterton* has made in recent years, are impact-orientated businesses. Supporting accelerated consumer demand for these brands is also a broad ecosystem including both major retailers and large multinational consumer businesses that are making significant

commitments to environmental and social impact. These trends make it an exciting time to be backing the businesses and brands that are having a real impact on the consumer economy.

The impact fund builds on each of *L Catterton’s* advantages as a consumer investor while putting itself at the frontier of impact management.

Michael O’Leary: Every new fund is a bet on the future, and we are betting on this shift in consumer sentiment and the role that impact is going to play in our lives and economies. We believe the launch of this strategy puts us right where the next generation of consumer companies are going.

You clearly see a correlation between delivering impact and good business performance. To what extent is this accepted today, particularly in the US?

MO: I have always found when debating the role of ESG that the more abstract the conversation, the more disagreement there is. But once you start talking about specific industries and specific companies, then it just becomes like any other business decision. If you want to launch a disruptive beauty brand today, you are going to choose clean ingredients and sustainable packaging

“ What is exciting in the consumer world is that the connection between a company’s impact and its financial success is so direct.”

– MICHAEL O’LEARY



because that decision reflects what your consumers care about.

What is exciting in the consumer world is that the connection between a company’s impact and its financial success is so direct.

New York University tracks the performance of sustainable consumer products versus conventional products, and the growth of sustainable products has outpaced conventional production by 2.5 times since 2015. These are deep, secular trends that are influencing the way consumers think about their purchasing decisions, and they are the same underlying trends that are influencing where employees want to work and how investors want to allocate capital. People are voting with their wallets.

IMPACT FUND PARTNERS (CONTINUED)

Is there a risk that impact may become less of a priority for consumers as a cost-of-living crisis continues to bite?

MO: L Catterton's strategy has always been to build a model that is uncorrelated with the broader consumer economy. We look to invest in categories backed by long-term, secular tailwinds.

We can track the consumer's increasing focus on impact over decades, all in line with increasing transparency into the social and environmental crises we face and better options to address them through innovations in technology and business models. That's not to say it's all that consumers care about. Affordability matters. Quality matters. Convenience matters. And it differs by category. The same consumer will act differently when they're buying paper towels than when they're buying a flight home.

The challenge for impact-driven consumer companies is to find ways for their impact to become a positive driver of the other purchasing criteria that consumers care about as well. For example, the Pew Research Center found that if you ask someone why they buy organic produce, they're twice as likely to say it's to get healthier foods than anything to do with pesticides or biodiversity. Meanwhile,

a 2021 study published by First Insight found that if you ask Gen Z why they shop sustainably, more will cite quality or value than environmental concern.

TH: Affordability and impact often go hand-in-hand. Reducing packaging waste or sourcing locally can reduce the cost of making a product rather than add cost in.

Another important factor to consider is consumer loyalty. During economic downturns, consumers trade down where they can to save cost, but they also tend to entrench with brands that they trust. Consumers are demonstrably more loyal to brands that reflect their values, which should benefit mission-orientated businesses through a period of economic challenge.

You specialize in the consumer segment within the impact space. What edge will you have as an impact fund when competing against other private equity investors with a consumer focus?

TH: We believe that our impact focus offers advantages throughout the investment process – from sourcing, diligence, and winning deals through adding value as mission-aligned partners to entrepreneurs and management teams.

We benefit from the large ecosystem created

to support entrepreneurs building mission-orientated businesses. Viewing the consumer landscape through an impact lens means we are consistently monitoring consumer sentiment towards sustainability, health, equity, access and inclusion. This allows us to identify and invest behind key consumer themes early and then help companies accelerate into those opportunities.

Most importantly, we believe strongly that individuals building mission-orientated companies are seeking partners who share their conviction that the leading consumer brands will be built around impact. Being a consumer-focused impact investor uniquely positions us as a partner-of-choice to these businesses.

How big a role can impact ultimately play in the private equity universe?

MO: Impact is growing rapidly but still represents a tiny fraction of global capital markets. What impact is doing very effectively, however, is proving that there are better ways of building companies. We are showing that focusing on a company's social and environmental impact is not just better for the world but can be a better investment strategy.

Impact investing just crossed \$1 trillion of assets under management, per the Global

“ Consumers are demonstrably more loyal to brands that reflect their values. ”

– TEHMINA HAIDER

Impact Investing Network, but our real impact will come as we're able to shift how the other \$250 trillion of global capital is invested.

What are you looking for in an impact-driven consumer business?

MO: We are looking for consumer companies that make the economy significantly cleaner, healthier or more equitable. Cleaner means mitigating climate change, preserving nature and reducing waste, particularly plastic waste. Healthier means reducing disparities in health, wellness and nutrition. More equitable means expanding financial inclusion, improving education and workforce investment, and catering to chronically underserved consumer groups. This reflects the sets of issues consumers care about and opportunities we see in growth-stage companies.

Beyond that, we're looking for companies that are really defined by their impact: companies where impact is why entrepreneurs founded them, why employees work for them, and why consumers choose them. These are the companies where impact is what drives the success of the brand, and it includes the companies that are enabling other consumer brands to transform.

THE L CATTERTON ESG ECOSYSTEM

As the needs of our growing portfolio shift, so do the partnerships that we cultivate. We have deepened our relationships with existing partners and expanded our network to ensure we remain on the forefront of the ever-evolving ESG landscape.



Our longtime collaborator, **Malk Partners**, has continued to provide ESG expertise and advisory through due diligence of new investments as well as strategic engagements with our funds including Real Estate and Impact. See page 18 for more information.



In 2022, we joined the **ESG Data Convergence Initiative (EDCI)** to contribute to the standardization of ESG metrics within private equity. This year, we underwent our inaugural reporting period and submitted our first filing of portfolio level data.



Ownership Works is a nonprofit organization that aims to increase employee prosperity through shared ownership structure. As a founding partner, we supports Ownership Works' mission to implement employee ownership across more companies in America. See page 29 for more information on the initiative.



Since 2019, we have been a signatory of the **UN Principles for Responsible Investment**. We are currently in perpetration to complete our first annual UN PRI report since the release of the updated reporting framework in early 2023, detailing our progress on key ESG issues.



We began collaborating with **Independence Point Advisors** in 2022 to advise our portfolio companies on ESG strategy for IPO readiness. For more information on this partnership, see page 19.



We continue to work with **Bluesource** to implement our FedEx and UPS small-parcel shipping offset program for our North American portfolio companies. See page 22 for 2022 program updates.



GreenPlaces is an end-to-end carbon emissions software platform that can provide key sustainability insights to companies. *L* Catterton introduces our companies to GreenPlaces as a potential resource as they work on their emissions reduction strategies. Read more on page 22.



We are participating in a pilot program with **Citizens Bank** to earn carbon credits through a new Carbon Offset Deposit Account offering. See page 21 for more information on the goals of the program.



Since 2022, we have engaged **Persefoni**, a leading carbon footprint management SaaS platform, to support us in measuring and tracking our carbon footprint across our global operations. Read more on page 21.

MALK PARTNERS



INTRODUCTION

Since 2019, Malk Partners has been *L Catterton's* trusted ESG advisor, providing us with due diligence, monitoring, and advisory services across our strategies and funds. At the portfolio level, Malk conducts ESG due diligence for all new investments, with the objective of identifying areas of ESG risk, value creation, and strategy improvement to inform post-investment action plans. Building off pre-investment diligence, Malk conducts annual monitoring on select *L Catterton* funds to capture updates on portfolio companies' ESG risk and capacity, as well as review portfolio companies plans for ongoing ESG improvement and alignment with best-in-class practices. With that we are able to leverage insights from Malk's regular diligence and monitoring efforts to establish collaborative relationships with portfolio companies on ESG management.

In 2020, Malk also began an engagement with the *L Catterton* Real Estate, supporting us in the development of a bespoke ESG strategy within the real estate portfolio – including

asset-specific ESG plans customized to each investment phase. Malk supported the LCRE team in completing reviews of the portfolio and highlighting initiatives that assets can take to be a responsible partner to their surrounding environments and local communities. Malk continues to be an ongoing partner to the LCRE Fund and helps ensure its ESG strategy is aligned with industry and LP expectations.

At *L Catterton*, we are committed to continuous progress on ESG, engaging Malk to provide annual ESG training to our investment team and consulting the Malk team regularly on the evolution of our ESG program. We meet with Malk on a monthly basis, leveraging Malk's industry experience to discuss ESG updates across the firm, evaluate industry and market developments, and refine the strategic direction of our ESG program. As a trusted advisor, Malk supports *L Catterton* in developing both strategic intentions and actionable processes to more fully integrate ESG into our investment ethos. Looking ahead, we plan to continue working with Malk to adapt ESG best practices for new strategies and asset classes.

2022 HIGHLIGHTS

16 Companies

Underwent ESG due diligence pre-investment

18 Companies

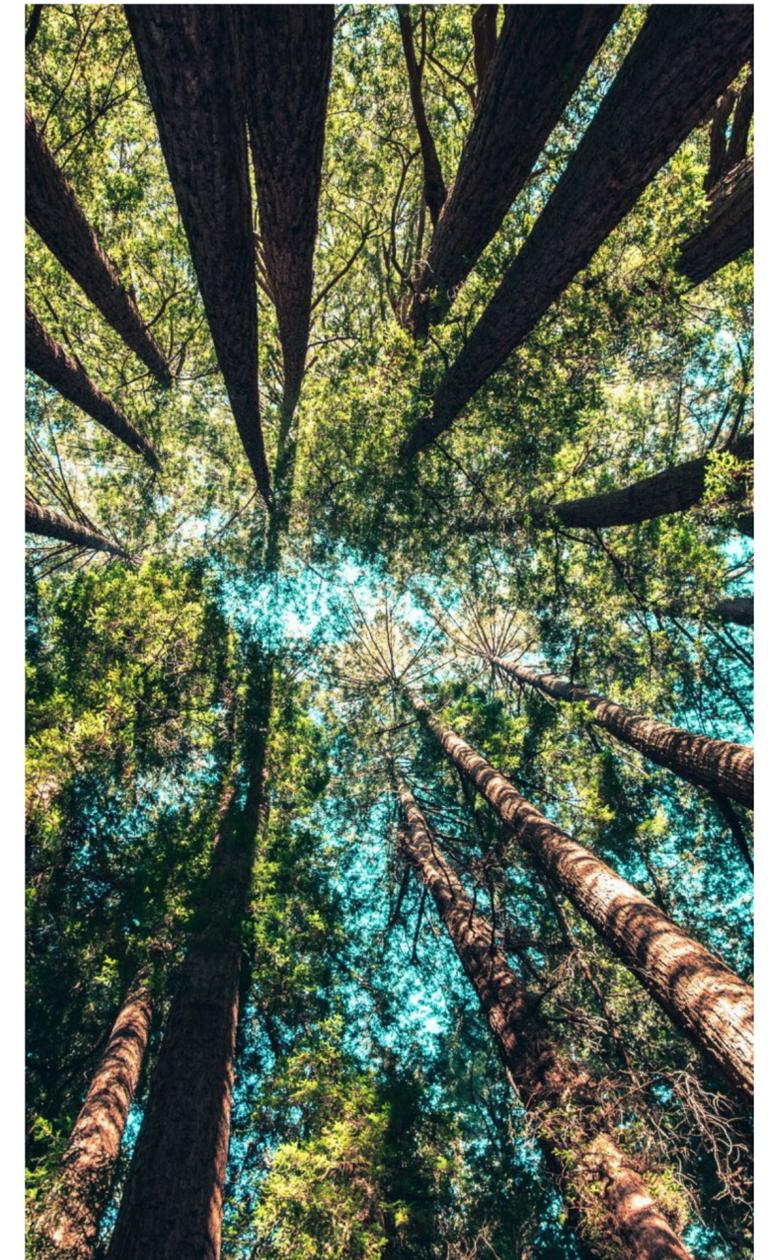
Underwent ESG monitoring in 2022

65 Diligence Reviews

Completed since beginning of partnership

39 Monitoring Reviews

Completed since beginning of partnership



INDEPENDENCE POINT ADVISORS



INDEPENDENCE
POINT
ADVISORS

In 2022, we launched a strategic relationship with Independence Point Advisors (IPA) to support us in our mission to foster ESG integration alongside portfolio company growth. IPA is a women-owned, designed, and operated investment bank and advisory firm.

BESPOKE PORTFOLIO COMPANY ENGAGEMENTS

IPA serves as a resource available to select *L* Catterton portfolio companies for pre-Initial Public Offering (IPO) ESG advisory services. ESG can be an essential element in the IPO process as it can impact valuation, reporting requirements, and regulatory compliance. IPA works directly with companies to craft, enhance, and implement ESG strategies to prepare them for their public offering. In collaborating with IPA, we continue to equip companies the building blocks required to develop ESG strategies for the long-term.

IPA recently worked with one of *L* Catterton's portfolio companies to develop a tailored ESG program in preparation for an upcoming IPO. This included helping the portfolio company meet investor and regulatory ESG

expectations while also leveraging existing sustainability strengths to drive business long-term value. As a result, the portfolio company established an ESG strategy and roadmap to build a comprehensive program through and beyond IPO, true to its company culture and values.

ESG IPO READINESS ROUNDTABLE

2023 offered an opportunity for IPA to host a roundtable event, equipping interested *L* Catterton portfolio companies with tools and best practices as they build their ESG strategy foundations ranging from basic policy adoption to public offering readiness (IPO). This roundtable event will serve as a pilot for future sessions.

With the ESG landscape constantly evolving there is no one size fits all approach to a company's ESG program and journey. Each cohort of Portfolio Companies has been carefully tailored to be proportionally similar in their breadth of ESG work, thus supporting collaborative conversations around ESG philosophies, initiatives, and questions regarding the regulatory landscape. With IPA's deep expertise and best-in-class talent shepherding each event, we aspire to have all our companies more capable of integrating of ESG factors into corporate decision-making to increase both investor and stakeholder value.

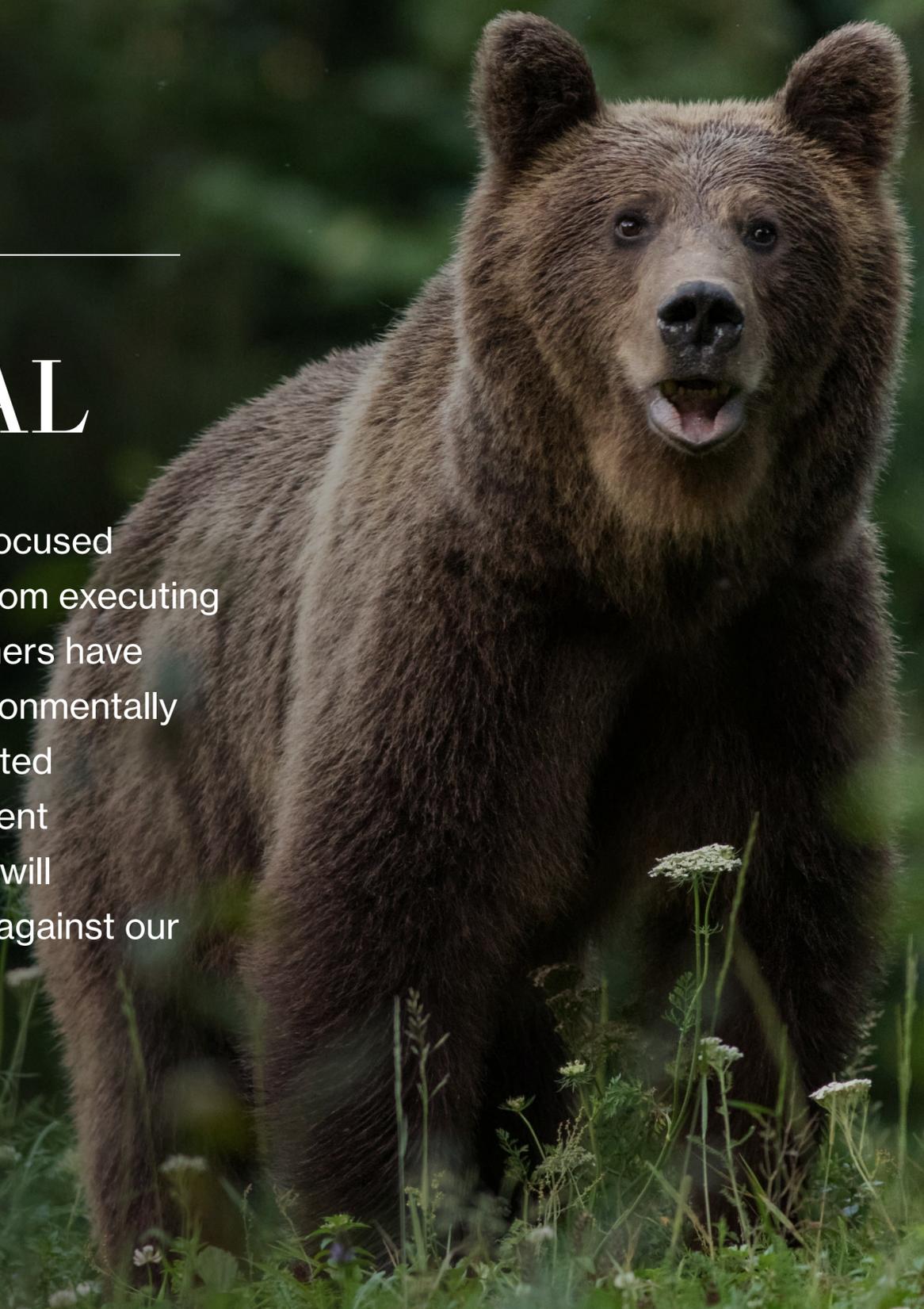
Both IPA and *L* Catterton look forward to the progress this inspires within our portfolio companies and hope to have many more of these discussions in the future.



2

ENVIRONMENTAL

At L Catterton, we believe that sustainability-focused companies can produce considerable value from executing environmentally conscious practices. Consumers have become progressively more attracted to environmentally responsible brands, which has led to accelerated growth for purpose-led brands. Our commitment to the environment remains steadfast and we will continue working diligently to make progress against our sustainability goals.



OUR COMMITMENT TO SUSTAINABILITY & CLIMATE CHANGE MITIGATION

As part of L Catterton’s continued emphasis on environmental sustainability, the Firm has been working over the past year to identify and explore innovative channels for climate action. Given the size of our portfolio, our approach to climate change needs to be multifaceted to support our companies in the development of strategies that measure and reduce their carbon footprint. Not only do we view climate change mitigation as a fundamental responsibility, but we also understand the importance of action to consumers, employees of our portfolio companies, and investors – critical stakeholder groups for all of our consumer businesses.



As part of L Catterton’s ongoing commitment to innovative climate solutions, we recently partnered with **Citizens Bank** to participate in a pilot carbon offset program. By establishing a Carbon Offset Deposit Account with Citizens, we have begun to accrue carbon credits through interest earned on deposits in the account. We are currently trialing this carbon offset program through the Latin America Fund and expect to receive detail on carbon credits earned and offsets purchased by the second half of 2023. Together with our other firm and portfolio-level climate change initiatives, this program provides another avenue for our Firm to enhance our environmental sustainability strategy.



At L Catterton, we are working toward a greater understanding of our carbon emissions at the Firm and portfolio company levels as an important initial step ahead of evaluating future reduction efforts. In 2022, we set a goal of gathering enough data to estimate the Firm’s carbon emissions. Additionally, **Persefoni** conducted top-down estimates for our portfolio, which we then used as a catalyst to further strategize and engage with our companies to discuss how to better measure and reduce Green House Gas (GHG) emissions.

2022 HIGHLIGHTS:

20%

of portfolio companies have been awarded environmental certifications¹

1. Calculations based on 90 of 136 respondents; data typically self-reported



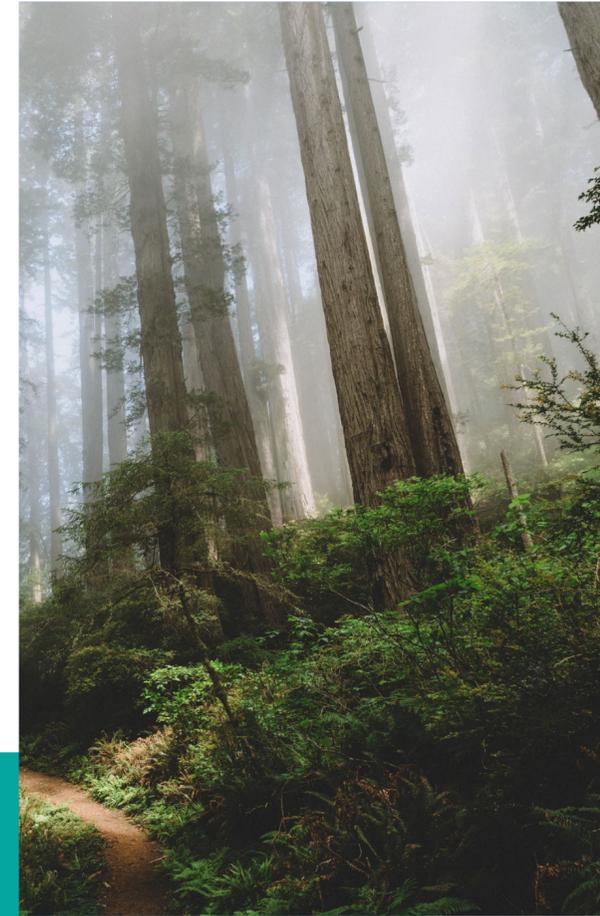
OUR COMMITMENT TO SUSTAINABILITY & CLIMATE CHANGE MITIGATION (CONTINUED)



Since 2020, we have worked with **Bluesource** to offset greenhouse gas emissions from small parcel shipping through FedEx and UPS for our North American portfolio. As part of this initiative *L Catterton*, alongside its carbon offset partner has purchased \$150,000 worth of offsets covering a select mix of U.S. and international projects. Between November 2021 and October 2022, in collaboration with 21 participating companies, we have offset a total of 16,334 tCO₂e. In addition to continued support of projects selected in previous years, in 2022 we elected to participate in the **Refrigerant Reclamation Project**, which collects used refrigerants for reuse to mitigate greenhouse gas emissions from the release of hydrofluorocarbons into the atmosphere.



GreenPlaces is a sustainability platform that enables businesses to track carbon emissions, report metrics accurately, and ultimately draw insights on how to reduce a business's overall carbon footprint. In the past year, *L Catterton* has made several introductions between GreenPlaces and portfolio companies, allowing companies to leverage the platform to assess their emissions and implement initiatives to pursue ambitious climate change goals. Through its collaboration with GreenPlaces, our portfolio company *Bartaco* has achieved carbon neutrality and continues to pursue sustainable design initiatives to improve sustainability across its restaurant locations.



16,334 tCO₂e

GHG emissions offset with Bluesource

\$150,000

Amount committed to carbon offsets annually

KODIAK

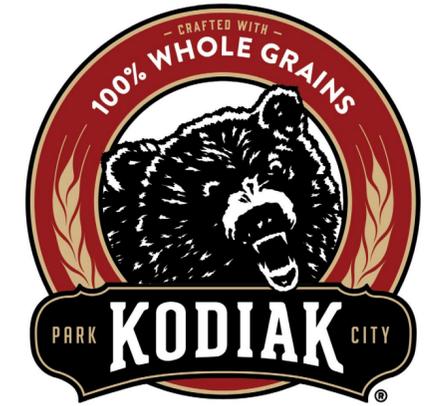
AN INTERVIEW WITH **AARON ROBINSON**, DIRECTOR OF BRAND MANAGEMENT & **RACHEL LEWIS**, SENIOR BRAND MANAGER



Aaron Robinson
Director of Brand Management



Rachel Lewis
Senior Brand Manager



STRATEGY
BUYOUT

YEAR OF INVESTMENT
2021

Kodiak, a producer of whole-grain breakfast and snack products, is committed to driving positive environmental impact through both business and philanthropic efforts.

Following *L Catterton's* investment in 2021, *Kodiak* has been working to integrate its ongoing ESG efforts into its overall strategic plan. In addition to investing in key operational areas such as product safety, ingredient sourcing, and carbon footprint evaluation, *Kodiak* makes charitable contributions through its “**Keep It Wild**” program, which donated \$135,000 to land conservation organizations in 2022. To further progress toward its environmental sustainability ambitions, the Company recently released a flapjack mix containing **Kernza**, a climate-friendly grain. Perennial grains such as Kernza have the ability to absorb carbon dioxide and store it within its roots, acting as a carbon sink. By avoiding annual replanting, Kernza provides

a number of other environmental benefits compared to conventional wheat crops. For instance, research has found that Kernza crops **reduced nitrate leaching** – a notable source of groundwater contamination from agricultural fertilizer – by 86% compared to annual wheat. We recently spoke with the *Kodiak* team about how they plan to use this innovative new product to meet evolving consumer expectations and promote the popularity of perennial crops.

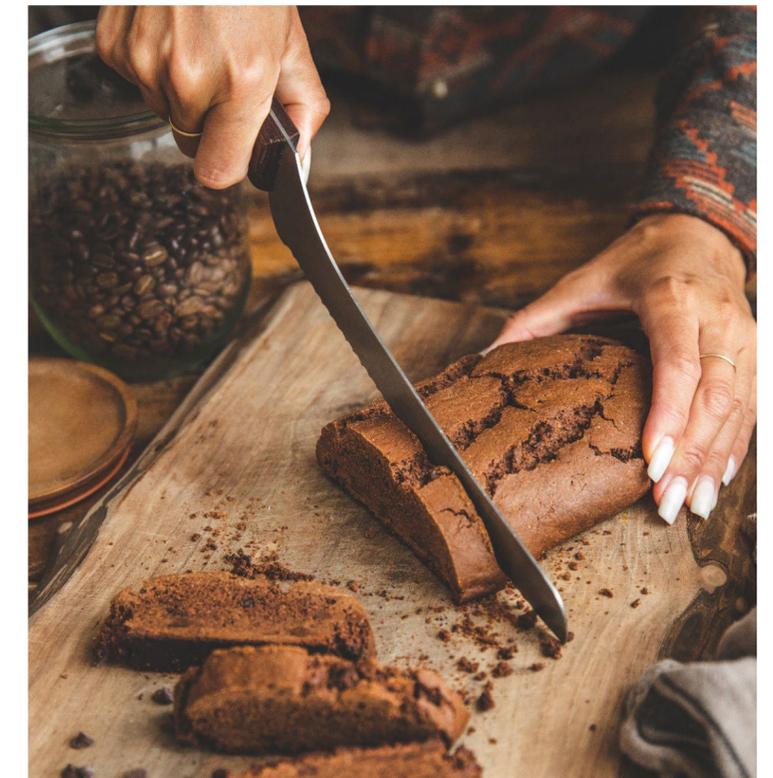
What inspired Kodiak’s recent focus on developing sustainable, climate-friendly products?

A lot of the products we currently use are made with whole wheat, so we wanted to find healthier and more sustainable alternative grains. We looked at Kernza, Kamut, and upcycled grains to assess their respective benefits to people, the environment, overall

consumer perception, and cost. Through this process, we found that Kernza had the greatest benefits and the broadest consumer awareness. Kernza is a perennial plant with really long roots, so it helps prevent soil erosion, protects microbiomes, and supports carbon sequestration, while also having a higher protein and fiber content than wheat and a great flavor.

Were there any challenges that came up during the development process?

There were two big challenges. The first was determining the proportion of Kernza to include. Kernza is more expensive per pound than wheat, and it is also a tougher grain that doesn’t rise as much as wheat. We were able to resolve both concerns by working with our suppliers, who recommended a recipe with 20 to 25% Kernza to maintain a positive consumer experience in terms of taste, texture, and cost.



KODIAK

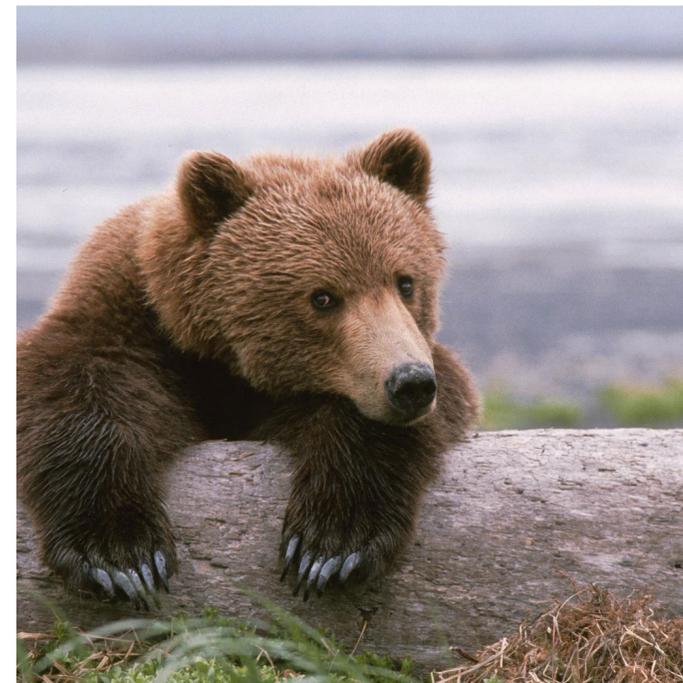
The second challenge was supply – Kernza is a relatively new crop so there are fewer suppliers to source from. This was mitigated by launching the product with our highest priority natural food retailers first to ensure we were filling customer demand.

What has customer feedback been like for this new line of Kernza products?

We've had really positive feedback. After piloting the product with Sprouts for about a month, they mentioned that they would love to see additional flavors and product lines with Kernza. We've also seen interest from mass-market retailers. We didn't originally bring this product to them because it was so new, but it has been exciting to see them ask for it too. We see this as a really important way for *Kodiak* to take a stand on the values we care about, such as protecting the Earth and pushing the industry forward while being honest with our customers about our approach to sustainability.

How has this experience impacted *Kodiak's* approach to product sustainability?

Following this process, we would certainly like to bring more perennial grains and products grown through regenerative agriculture into our pipeline. We are very ambitious and want to continue investigating sustainable sourcing of ingredients. We haven't set specific targets in this area yet, but it will be a roadmap item going forward.



“ We see this as a really important way for *Kodiak* to take a stand on the values we care about, such as protecting the Earth and pushing the industry forward while being honest with our customers about our approach to sustainability. ”

– AARON ROBINSON
DIRECTOR OF BRAND MANAGEMENT

KOKOLU

KOKOLU is an apparel and lifestyle brand that designs clothing and footwear with a strong focus on sustainability and reducing the negative impact that fashion has on the climate. Globally, **the fashion industry** is responsible for an estimated 2.1 billion tons of carbon emissions annually – or 4% of global greenhouse gas emissions. Furthermore, the equivalent of one garbage truck of clothes is burned or dumped in a landfill every second. Since its inception in 2018, *KOKOLU* has made sustainability a core part of its brand identity by pioneering processes that actively reduce waste and utilize eco-friendly materials, without forgoing the stylish and trendy designs that consumers expect. *KOKOLU* strives to lead by example and set a new standard for what sustainability means in the fashion industry. In line with these efforts, *KOKOLU* achieved B Corp certification in 2022 for its progress in ESG performance, transparency, and accountability.

KOKOLU consistently prioritizes sustainability concerns at each step in its product development process. This year, *KOKOLU* has set out to develop methods to reduce carbon emissions, water consumption, and waste

throughout its entire product lifecycle, placing emphasis on reducing environmental impact in every product released. During the design phase, *KOKOLU* partners with scientists and researchers to drive sustainable material innovation, developing products from recycled and renewable materials such as seaweed and used rubber. The company is also intentional about the manufacturing processes utilized, such as its 3-D knitting technology to create fiber from recycled plastic bottles and a “Dope Dyeing” process to reduce wastewater. This commitment to innovative materials has led to significant results with *KOKOLU*'s signature ‘Eco-Knit’ sneaker having a diminished carbon footprint of 4.3 kg of CO² per pair, in comparison to the **-14 kg of CO²** created by the production of an average pair of sneakers.

In addition to establishing itself as a committed player in the sustainable fashion space, the brand also regards consumer satisfaction as a nonnegotiable and challenges itself to exceed consumer expectations. With a 0.001% return rate, *KOKOLU*'s objective has been shown to resonate with consumers who seek sustainability, style, and comfort in a pair of sneakers. Going forward, *KOKOLU* plans to further enhance its sustainable apparel offerings through continued product research and development, such as the upcoming introduction of its Greenleather™ biodegradable vegan leather. With *L Catterton*'s global reach, *KOKOLU*

aims to expand to new markets, reach more customers, and spread its sustainability message on a larger scale.

“ We are constantly trying to challenge the old way of doing fashion and footwear. Customers can have everything they want in their apparel and have it be sustainable. ”

– GIGI JI
HEAD OF BRAND MARKETING AND BUSINESS DEVELOPMENT



KOKOLU

STRATEGY
RMB

YEAR OF INVESTMENT
2023

227,014

Recycled plastic bottles utilized

4.3 KG CO²

Product carbon footprint of Eco Knit Sneakers

345 KG

of recycled rubber utilized

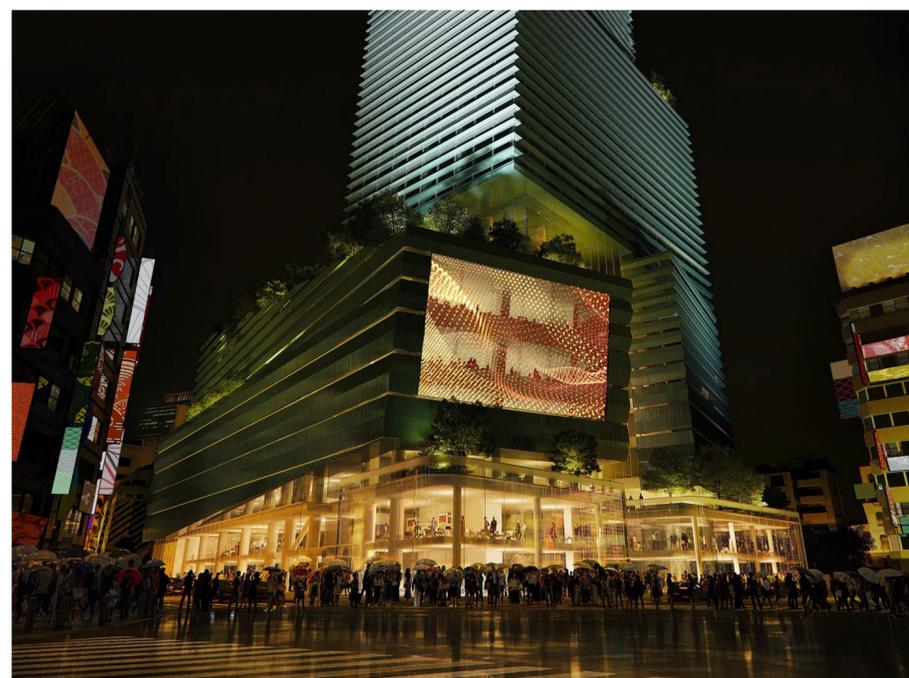
L CATTERTON REAL ESTATE FEATURE: SHIBUYA UPPER WEST

L Catterton Real Estate (LCRE) continues to leverage its position as an investor in urban, large-scale, and mixed-use properties to create value across ESG topics such as environmental sustainability, resource efficiency, employee and tenant wellbeing, and strong relationships with local communities. To do so, the LCRE team works closely with its project partners to integrate ESG considerations throughout the property investment lifecycle.

At its **Shibuya Upper West** property in Tokyo, LCRE collaborates with project partners, including architecture firm Snøhetta, conglomerate Tokyu Corporation, and retail company Tokyu Department Store to set and execute the property's sustainability strategy and goals. Currently in the design phase, the project will redevelop the current Tokyu Department Store site into a 117,000 m² mixed-use development including the Bunkamura art and cultural complex, high-quality retailers, a contemporary luxury hotel, office space, and rental residences. While specific environmental targets may evolve as the project moves through the design phase into construction in 2024, LCRE is working closely with project

partner Snøhetta to integrate sustainability into the property's strategic goals, incorporating innovative design elements and collaborating with other project partners to set achievable environmental targets.

The project includes several design elements aimed at reducing its carbon footprint and overall energy consumption. The project is targeting LEED Gold and WELL Silver green building certifications – in addition to assessing the feasibility of additional certifications such as CASBEE Class S – which will require the project to achieve high levels across critical building sustainability elements. Specifically, these certification frameworks set strong



environmental targets related to carbon, energy, water, waste, materials, air, light and health and indoor environmental quality in building design. The design plan utilizes the property's current basement in the new structure to minimize excavation and construction, thereby reducing both energy and waste production. To support the local economy and reduce fuel needed for transportation, the project aims to integrate locally sourced building products and materials.



STRATEGY
REAL ESTATE

YEAR OF INVESTMENT
2021

INVESTMENT STATUS
DESIGN PHASE

REGION
ASIA

L CATTERTON REAL ESTATE FEATURE: SHIBUYA UPPER WEST (CONTINUED)

In addition, *Shibuya Upper West* plans to harvest rainwater to use for on-site irrigation and utilize renewable energy sources to power the building. The project also plans to engage technical consultants to measure the project's carbon footprint, and will use this to inform additional, innovative ways to reduce its overall environmental impact.

The project has further demonstrated its commitment to integrating sustainability considerations into the building design by including specific elements aimed at preventing excessive heat and reducing associated energy costs. For natural heating and shading, the project utilizes natural atrium sunlight in both the retail and hotel spaces which would otherwise require artificial lighting and additional energy and construction. Most notably, the building's round tower façade design naturally shades the building with horizontal runners, resulting in reduced heat as a result of solar heat transmission into the building while still maintaining natural sunlight.

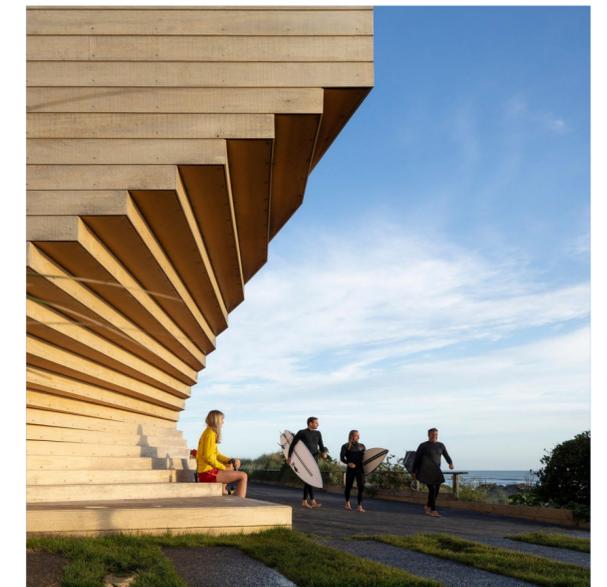


The images are examples of prior works by Snohetta.

“ We can't work on sustainability without working together with stakeholders and partners, and LCRE is one of the most important. Their support on bringing sustainability and regenerative design to the forefront of the project has been helpful in this collaboration. ”



– ROBERT GREENWOOD
PARTNER & DIRECTOR
FOR ASIA PACIFIC, SNØHETTA



3

SOCIAL

From championing workplace diversity to employee-centered programming, we continue to encourage our companies to innovate on workplace initiatives and are proud to share the progress they have made. Throughout our portfolio, we believe centering diversity and inclusion is essential and integral for businesses in the consumer sector.

BOLSTERING WORKPLACE EQUITY ACROSS OUR GLOBAL PORTFOLIO



At L Catterton, we know that an engaged and supported workforce promotes workplace creativity and resilience. Companies led by diverse teams have the potential to enhance their brand reputation and customer loyalty. As consumer investors, we aim to reflect the values communicated by our portfolio's consumer base, many of whom have expressed preferences for socially responsible, inclusive brands. We recognize that every workforce has different needs, especially within the numerous geographical contexts in which we operate, further enforcing our global approach to human capital best practices across our portfolio. We continue to partner with industry groups who are focused on fostering equity and inclusivity within the labor force, expanding our network to support workforce engagement efforts across our global portfolio.

Ownership Works operates alongside companies to pursue compensation and equity-based ownership models that expand economic opportunities for workforces, providing tactical resources to support workers' financial wellbeing. After becoming a founding partner in 2022, L Catterton continues to work alongside Ownership Works to increase financial security among workers and make shared ownership the new normal across corporate America.

We are a founding partner of **Him for Her**, a social-impact venture engaged in the promotion of board gender diversity. In 2022, L Catterton collaborated with Him For Her on a series of in-person dinners and virtual networking events, hosting speakers such as Dara Khosrowshahi, CEO of Uber. Him For Her's expertise in event facilitation supports participants in making introductions across the industry and has enabled L Catterton to engage with a wide network of female consumer executives for potential board appointments and executive roles in the future.

The **Women on Boards (WOB)** project works to connect companies with talented female leaders, supporting both parties on the journey to placing more women on company boards. As a founding sponsor of WOB, we continue to support the work of this nonprofit and are committed to promoting portfolio company board diversity within the private equity and venture capital industry.

Within our Latin America funds, we have continued to champion the goals of the **2X Challenge**, an initiative backed by several G7 Development Finance Institutions with the goal of mobilizing \$3 billion in commitments for investors who provide women in developing countries access to leadership opportunities, quality employment, finance, and enterprise support.



17%

increase in portfolio companies with a CSR/ESG policy¹

15%

of portfolio companies have a female CEO²

66%

of portfolio companies have a female board member²

1. Calculations based on 66 consecutive respondents over 3-year period; data typically self-reported

2. Calculations based on 90 of 136 respondents; data typically self-reported

PRISM



Larisa Daberko
Vice President
of Network
Development

In pursuit of our commitment to broadening opportunities for diverse talent, in particular female board director candidates, in 2021 L Catterton launched its proprietary PRISM program. PRISM convenes a select group of exceptional female consumer executives with wide-ranging functional expertise and category experience, each seeking to drive impact through board director positions. The program offers bespoke content and networking opportunities to empower and equip participants with insights and relationships to bolster success in the boardroom.

More than one year after its initial launch, the program's impact emerges: three of the seventeen members of the '21 cohort have secured first-time board positions, in some instances receiving nominations and recommendations from fellow PRISM members, with more to follow.

PRISM is now in its second year, offering a new cohort of 20 female executives the opportunity to deepen their knowledge-base and form meaningful relationships with fellow cohort members and the broader PRISM network. For the first time, members of the '22 PRISM class met with '21 program alumni to cultivate cross-cohort relationships. This connectivity is also reflected in the make-up of the '22 cohort, with about one third of '22 participants having been referred by a member of the '21 class.

Likewise, three of this year's five PRISM advisory board members (Ann Fudge, Eileen Kamerick, Karen Boone, Brenda Morris, and Lauri Shanahan) are serving in this role for the second year, having proactively sought to remain involved in the program. All five Advisory Board members borrow from their wide-ranging, in-depth board experience, sharing their perspectives and actionable advice on topics such as board interview preparation, maximizing impact in the boardroom, and more. Advisors also support participants individually via mock board interview sessions and mentoring conversations.

As we continue to pursue our Board Diversity and Development objectives, Larisa Daberko recently joined L Catterton as a Vice

President of Network Development. Larisa will build upon the momentum of PRISM and continue to develop L Catterton's network of consumer industry leaders. She will also oversee and expand the firm's partnerships with like-minded organizations, such as Him for Her. Through this dual-pronged strategy of proprietary programming and third-party partnerships, L Catterton is well positioned to continue to deliver on its broader talent diversity and development agenda, now and in the years to come.



PRISM

2021

Year of program creation

20

Number of participants in most recent cohort

~60

Board memberships represented by Advisory Board and external partners

7

Number of cohort-wide events held in 2022

PRISM (CONTINUED)



ADVISOR TESTIMONIALS



Lauri Shanahan
Board member of Deckers Outdoor Corporation and Treasury Wine Estates

“I joined the Advisory Board first because diverse boards and teams perform better. Second, *L Catterton*’s reputation and the fact that they are investing in this to build a sustainable model that gets more women on all sorts of boards. *L Catterton* gets it right by curating a group of women and advisors from diverse backgrounds, industries and expertise. Not only have several women been placed on boards already, but what I love most is seeing them leave feeling emboldened and energized. It’s having a new group of trusted friends and colleagues to lean on and support for years to come, and having clarity and conviction about what they need to do and how they need to show up. I came back as an advisor for the second year because I wanted to continue to contribute in a meaningful way. The women at *L Catterton* who lead this program are authentic and genuinely committed to the mission.”



Ann Fudge
Former Chairman and CEO of Young & Rubicam Brands; Former Board member of General Electric, Novartis, Unilever

“Having been involved with other “Board Development” programs for women, I find PRISM unique because the cohort connects over an 8-9 month period of getting honest input regarding all aspects of Board service (the good, the bad, the ugly), personalized input on their “Board CV,” and a “Board Interview Experience.” Participants leave with a realistic perspective of the board role and the process of getting a seat at the table. It’s been very rewarding to build ongoing connections with several women in the first cohort and to guide them as they evaluate Board opportunities.”

PARTICIPANT TESTIMONIAL

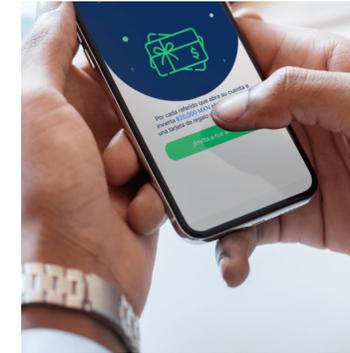


Sally Grimes
Former CEO of Clif Bars

“I immediately wanted to be a part of PRISM because of the access to and advice from prominent, experienced executives who have led the way. I think there tends to be less access to important informal networks for women, and less assertiveness in pursuing opportunities. Beyond the remarkable relationship building with my cohort and the advisors (such a special part of the program!), PRISM helped me internalize what separates great board directors from the rest. There were specific ideas shared on increasing impact in the boardroom and for me, the outcomes were immediate as I put lessons of proactiveness to work. The relationships built through PRISM are more than an industry network, they are lasting friendships that have become an invaluable support network.”

CREDICLUB

Crediclub is a Mexican microfinance lender providing services such as microcredit loans that are specifically designed to increase women’s access to financial capital. Nearly half of Mexico’s GDP is generated through micro, small, and medium-size enterprises; in particular, women own or lead over half of the micro-sized enterprises. Even with an instrumental role in Mexico’s economy, 35% of women are excluded from the country’s financial sector compared to 28% of men, an important facet of gender discrimination that leads to lower levels of financial security and barriers to entrepreneurship. As a digital financial services platform, *Crediclub* has introduced a series of financial products to support closing these gaps. For instance, *Crediclub* supports financing for MSMEs in Mexico, with ~99% of its loan portfolio funneling capital to entrepreneurs of MSMEs. In terms of financial inclusion, *Crediclub*’s *MujerActiva* product is notable for utilizing a group lending model with the explicit purpose of increasing women’s access to credit. By providing loans to those who have been historically excluded due to lack of credit history, *Crediclub*’s products can promote women’s financial well-being,



STRATEGY
LATIN AMERICA

which can have positive societal impacts, such as reduced rates of poverty and household food insecurity. These potential positive impacts align UN Sustainable Development Goals, especially Goal 5: Gender Equality and Goal 8: Decent Work and Economic Growth.

In 2022, 97% of *Crediclub*’s loan value was distributed to women. With increased capital, women may be able to kickstart their business dreams or receive the financial support needed to rapidly scale their current enterprises. For one customer, *Crediclub*’s loan provided her the capital to open her own business following a cancer diagnosis to financially support treatment, while for another it meant buying the equipment necessary to scale her business plans and increase customer satisfaction. Regardless of how women invest capital in their businesses, the access to additional capital can result in positive social outcomes more broadly,

such as allowing *Crediclub*’s customers to invest in their children’s education and provide financial support for their households.

“ We want people to remember us more for the impact we’ve had on Mexican communities. We want to be the ESG leaders in our industry... want our own employees to feel that passion for it... and to create a better Mexico for all. ”

– PRISCILA ESCALANTE
ESG AND CORPORATE
DEVELOPMENT MANAGER

\$2.7B+ USD

loaned from
2005-2022

87%

of customers
are women

90%

Client
retention rate

13,000+

Women provided
with savings
accounts

89%

of loan value
distributed to
women

CREDICLUB (CONTINUED)



To further close gender based financial access gaps, *Crediclub's* technology platform allows it to access underserved communities, and its product offering specifically addresses a common barrier presented by other lenders. *Crediclub's* interest rate is anywhere from 2-29 percentage points lower than competitors, likely contributing to the low percentage of customers with outstanding loan payments and high client retention rates. *Crediclub's* customers note that low interest rates compared to other financial service providers allows them to build strong credit scores, qualifying them to access additional loans to grow their businesses. *Crediclub's* interest rates also allow its customers to channel revenue from their business into their own health and well-being, such as paying off medical bills rather than paying off high interest rates.

Since *L Catterton's* investment in May 2022, *Crediclub* has been working to enhance its impact-oriented offerings and formalize its ESG program. *L Catterton* has connected the Company with resources and contacts to support its goal of being an ESG leader in Mexico's finance industry. With *L Catterton's*

support, *Crediclub* continues to demonstrate the importance of a holistic ESG and impact strategy, especially for businesses dedicated to providing services with positive societal outcomes.

As a next step in enhancing *Crediclub's* social impact, it intends to collect additional impact metrics to quantify the scale and depth of its impact. For instance, *Crediclub* plans to track how its customers' credit score changes from banking with *Crediclub* and compare customers' savings to national averages in Mexico. These KPIs can provide greater understanding about the potential depth of impact from *Crediclub's* services. In addition, *Crediclub* plans to engage its customers to evaluate how access to financial services may lead to improvements in physical and mental health for women and their families. Going forward, *Crediclub* will be able to leverage these data insights to grow the positive impact from its financial product offerings.



“ I’m excited to keep working with *L Catterton* and create a more profound and robust ESG program and play a huge role in what ESG becomes at *Crediclub*. ”

– PRISCILA ESCALANTE
ESG AND CORPORATE DEVELOPMENT MANAGER



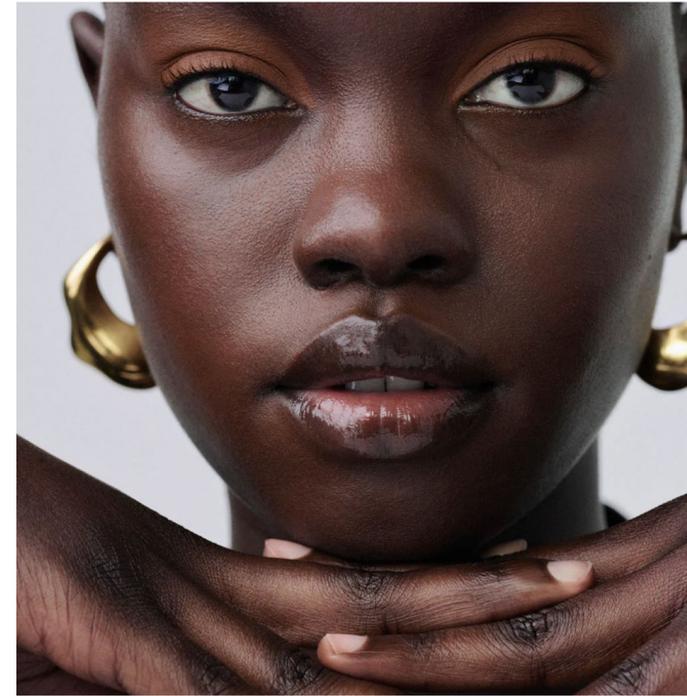
MERIT

AN INTERVIEW WITH **AILA MORIN**, SENIOR VICE PRESIDENT OF BRAND, GROWTH, AND INNOVATION



Aila Morin
Senior Vice
President of Brand,
Growth, and
Innovation

MERIT launched in January 2021 as a minimalist luxury cosmetic brand and quickly rose to prominence, lining Sephora shelves by February of that same year. Since then, the brand has gained acclaim, winning over 25 industry awards including the **2022 Allure Best of Beauty Award in the “Clean” category**. In addition to its appeal as a vegan, cruelty-free brand, *MERIT* builds trust with consumers of varying skin tones, textures, and conditions through its integrated approach to inclusivity. Through inclusive product lines and representative marketing campaigns, *MERIT* has prioritized shade inclusivity and representative marketing from the start. Aila Morin, Senior Vice President of Brand, Growth, and Innovation, gave us more insight into the



steps that *MERIT* has taken to make diversity a central focus of the brand.

What does diversity mean to *MERIT* as a beauty brand?

For us, diversity means representation across skin tones, types, ages, and much more. When we design a product, having an inclusive shade range is one of our first considerations, but we also think deeply about the skin conditions that our customers might be dealing with, like rosacea or acne-prone skin. And we also want to make our products accessible to aging consumers who might be dealing with fine lines or different textures. Diversity is a non-negotiable for the brand – this is what we are,

and this is what we do. Diversity has always been a core value, and it’s something everyone at *MERIT* is trained on and expected to uphold.

How does *MERIT* design products to be inclusive?

With makeup, we start with an understanding of what ingredients work for all skin types to create an inclusive formula. We also make sure that our products are created by and tested on individuals that represent a wide range of skin types, ages, and complexions, so we get great feedback throughout the process. The process of creating a new product takes about two years, so it’s very iterative. Beyond the initial creation of a product, we take customer feedback very seriously. We tweak products all the time based on feedback, whether it’s through Instagram comments or product reviews. We have relaunched products based on feedback, tweaking things like the undertones of a product or how different ingredients work for different skin types. People only trust the brand if you respond to what they are saying.



MERIT

STRATEGY
GROWTH

YEAR OF INVESTMENT
2021

“ Diversity is a non-negotiable for the brand—this is what we are, and this is what we do. ”

– AILA MORIN



MERIT (CONTINUED)

How does MERIT integrate diversity into its marketing strategy?

Diversity is part of every campaign, and it's part of our brand DNA. We loop our creative department into the product development process early so that they understand how to recommend different products for various skin types, tones, and textures. Internally, we don't frame diversity as an option. When we approve the Instagram feed, if we don't have the right representation, we won't post until it's right. We want to make sure people see themselves in our feed and that it represents the breadth of our community.

Describe the process for selecting influencers, models, and brand partners.

We don't select partners solely based on who is the most popular or fits "best" into the social media algorithm – instead, we always source a wide range of potential partners. This all starts with having a diverse team that is able to find really incredible creators of all different ages, sizes, races, and more. We often work with women who aren't traditional models or have huge followings, but we apply the same thinking when discussing celebrity and influencer collaborations.

How does MERIT see its approach to diversity continuing to evolve?

Right now, we are thinking more about gender and ability diversity. We know that our customer base includes people of all genders and ability levels, and we are thinking about how to best reach them. Our ideas about where to focus next come from dialogue within our team about where we can be more inclusive. We also get feedback from Sephora about what people want to see in store, and we are really honest with ourselves about where we might have some gaps in representation. Being honest internally is what makes it possible to figure out where to go next.

“ If we don't have the right representation, we won't post until it's right. We want to make sure people see themselves in our feed and that it represents the breadth of our community. ”

– AILA MORIN



AWWG

“ Many companies start with environment, but we decided to start with social concerns and our supply chain because you need minimum safety standards and minimum wages for employees to have the time and enthusiasm to work on other ESG issues. ”

– LAURA HOFMANN, DIRECTOR OF SUSTAINABILITY

With the earliest brand founded in 1950, AWWG is a global fashion group comprised of three original brands, *Pepe Jeans London*, *Hackett*, and *Façonnable*, operating in Europe, Latin America, and India. Since combining the brands under one moniker in 2020, AWWG has proactively built ESG into its culture and business strategy, with a strong focus on the social aspect of its supply chain. AWWG chose to prioritize the social aspects of supply chain management as the company believes that ensuring safe working conditions and labor rights is a foundational step to empower individuals in the supply chain to take on subsequent ESG initiatives. This “people first” outlook, compounded with consumer interest in sourcing transparency, motivated AWWG to pursue human capital matters within its supply chain as a top priority.

The fashion industry is highly susceptible to social and labor concerns due to the

limited visibility that most brands have into their supply chain, where manufacturing facilities, textile producers, and farmers may be subject to unsafe working conditions, physical or verbal abuse, or involved in child/forced labor. To combat these issues, AWWG fosters safe and healthy workplaces within its upstream supply chain and has made fair labor one of the core tenets of its ESG strategy. The company emphasizes this focus within its Ethical and Transparent Sourcing Programme, which includes criteria on acceptable social performance and examples of critical issues related to labor, working conditions, and wages. To enforce these requirements, the Company expects insight into each suppliers’ staff, working environments, and health & safety protocols through an AWWG-developed supplier self-assessment as well as audits conducted by reputable third parties (e.g., BSCI, SMETA and WRAP), which help to maintain standardization and objectivity across evaluations.



STRATEGY
ASIA

YEAR OF INVESTMENT
2015

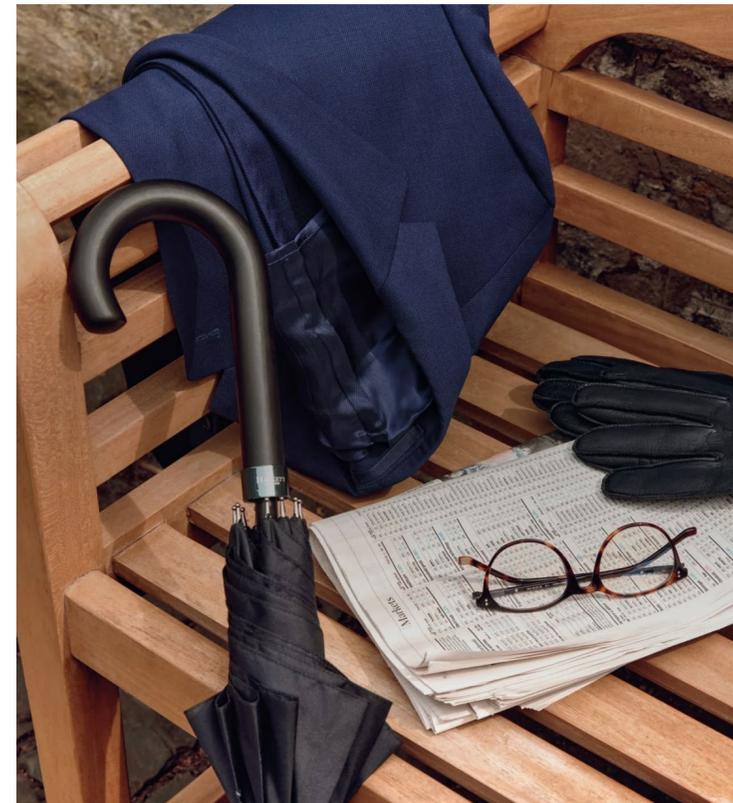


AWWG (CONTINUED)

Based on the results of the third-party audit and self-assessment, each supplier receives a score between A and D. Suppliers that receive multiple Cs or a D are required to improve their score through Corrective Action Plans (CAP). AWWG offers support and resources as suppliers complete the CAP; however, in instances where a supplier refuses to complete the CAP, the relationship will be terminated. The robust system and clear guidelines have been well-received by the AWWG's suppliers, with the Company noting positive feedback and several programmatic improvements. Additionally, suppliers are required to comply with AWWG's Supplier Code of Conduct which outlines requirements concerning transparency, environmental protection, and animal welfare, in addition to human rights concerns.

Along with its internal initiatives, AWWG has expanded its supply chain management program to include guidance and support from internationally-recognized organizations. In January 2022, AWWG joined Accord, a legally-binding agreement between global brands and factories in Bangladesh formed in response to the 2013 Rana Plaza building

collapse. As part of this agreement, AWWG conducts additional Accord-regulated audits on its facilities in Bangladesh to promote safe and healthy textile and garment working conditions. Going forward, AWWG plans to continue to partner with its suppliers to further expand transparency on social, and eventually environmental practices within its supply chain.



214

Social audits conducted, 2022-2023

93

Facilities undergoing improvements through supplier Corrective Action Plans (CAP), 2022-2023

347

Suppliers guided by AWWG's Ethical and Transparent Sourcing Programme

GOVERNANCE

With operations and portfolio investments spread across the globe, *L Catterton* understands the importance of instituting good governance practices to ensure sound, and comprehensive, decision-making. Our goal is to encourage and support strong governance programs, a firm commitment to ethical business practices, and compliance with applicable law and regulation.

GLOBAL GOVERNANCE PROGRAM UPDATES

We have maintained our approach to strong governance practices through initiatives pertaining to business ethics and supporting our compliance program across material topics at the firm and portfolio level. Through these efforts, we have continued our strong management of potential compliance risks. In addition, our entire workforce completes annual ESG training, with additional supplemental training for the investment team to equip and support further integration of ESG into the investment lifecycle.

CYBERSECURITY

At L Catterton, we continue to prioritize our management of cybersecurity risks. At the portfolio level, we partner with our companies to support in the maintenance of robust data privacy and security as well as compliance programs. Our commitment to supporting cybersecurity within our portfolio begins with pre-investment due diligence conducted on all global transactions. We are prudent in our efforts to enhance and tailor our program to meet the needs of all our portfolio companies to ensure the highest level of cybersecurity.

Additionally, we maintain our engagement with key cybersecurity partners such as Agio, Dell, Vectra.AI, and Mimecast and grew our internal cybersecurity team with the hiring of a Vice President of Cybersecurity Technology to further enhance our internal cybersecurity management. Recognizing the importance of spreading cybersecurity awareness across the firm, we provide annual training to our global team and conduct periodic phishing and social engineering tests as a best practice. We continuously monitor potential threats to our system through vulnerability scans and penetration tests. Through continued engagement with partners and stakeholders, we are working to proactively identify cybersecurity and compliance risks as well as continually explore the implementation of best practices for risk and opportunity management.



B CORP CERTIFICATION

Over the course of 2022, several L Catterton portfolio companies have attained B Corp certification, a remarkable accomplishment that reflects each company’s commitment to meeting high standards across the five categories of the B Impact Assessment – governance, workers, community, environment, and customers. Successful certification requires an overall score of 80 or higher on the B Impact Assessment, which is evaluated and verified by B Lab over a process that can take several months or longer. B Corps are committed to driving positive impact for their customers, employees, and communities while also setting and innovating best practices within their industries. Opportunities presented by B Corp status are especially valuable for consumer goods companies seeking to demonstrate their commitment to social and environmental best practices with a certification that is widely recognized by stakeholders. In our role as investors, we encourage interested companies to pursue B Corp certification, in particular providing support for the required changes to corporate governance structure, such as amending corporate bylaws or reincorporation as a benefit corporation.

In our interactions with portfolio companies pursuing B Corp status, we have found that the process requires significant buy-in and dedication across the company to ensure not only that significant ESG progress has been made, but also that such progress can be documented and communicated for third-party verification. With the recognition that this certification is no easy achievement, we are excited to share that four companies in our portfolio became B Corps this year, with many others indicating an interest in future certification. These companies have invested significantly in their internal ESG programs, strengthening their value propositions to customers, employees, and future investors, while also pioneering the development of environmentally- and socially-conscious products and services that will continue to differentiate them from industry peers.

SELECT B CORPORATIONS IN L CATTERTON’S PORTFOLIO

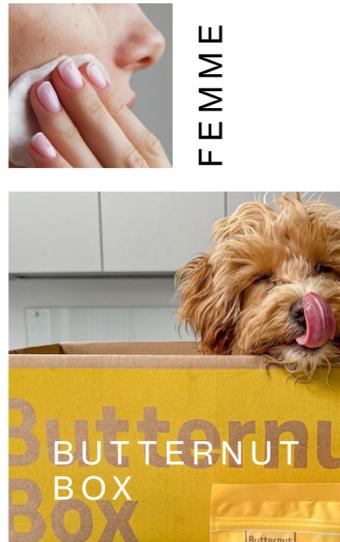
GANNI

KOKOLU

FEMME Laboratório da Mulher

Butternut Box

X
NotCo



B CORP FEATURE: GANNI

AN INTERVIEW WITH **LAUREN BARTLEY**, DIRECTOR OF SUSTAINABILITY & CORPORATE SOCIAL RESPONSIBILITY



Lauren Bartley
Director of
Sustainability &
Corporate Social
Responsibility

Founded in 2000, *GANNI* is a contemporary fashion brand that takes an avant-garde approach to ready-to-wear fashion. In 2022, *GANNI* was awarded an inaugural B Corp certification score of 90.6, an achievement, as *Vogue* points out, that places it among the highest-scoring contemporary fashion brands. Further emphasizing the brand's position as an industry leader in sustainability, *GANNI* and *L Catterton* were selected as the winners of *Private Equity Wire's* 2022 award for Best Corporate Sustainability Strategy at a Portfolio Company. Through its B Corp certification, *GANNI* has affirmed profit and responsible business are not mutually exclusive, but that strong ESG management can contribute to a business's overall success. As *GANNI's* Director of Sustainability & Corporate Social Responsibility, Lauren Bartley has been leading the company's ESG and sustainability strategy for the past four years, and she

recently shared more about the Company's B Corp certification process with *L Catterton*.

What was *GANNI's* motivation for pursuing B Corp Certification?

GANNI is a very value-led company. Our leaders Nikolaj and Ditte Refstrup are personally invested in sustainability and female empowerment – it's baked into our DNA. We developed our first sustainability strategy in 2019 with 44 goals, including becoming a B Corp Certified company. We recognize that there is not a lot of consensus around what it means to be a responsible business across many industries, but this is especially true in fashion. We did not want to market ourselves as a responsible business without external validation; we don't want to mark our own homework. Having a third-party come in and review us enables us to be graded more objectively.

“ We don't want to mark our own homework. Having a third-party come in and review us enables us to be graded more objectively. ”

– **LAUREN BARTLEY**
DIRECTOR OF SUSTAINABILITY & CSR

How did the brand achieve one of the highest scores in the industry?

We always set ambitious goals for ourselves. We knew we needed 80 points, but we set a goal of 100 points in the hopes of hitting somewhere around 90. Once we realized the effort required to gain even one point, we knew we needed to find a way to motivate the teams to provide the proper documentation, create policies, and work on building a sustainability strategy. We held weekly meetings where we went through points earned and made it tangible for people to get involved. You're only as good as your documentation for B Corp Certification, and while we were already doing a lot on sustainability, we hadn't documented all of it. It ultimately became a 10-week sprint of fact finding and developing documentation, driven by a sense of competition among the teams, that led to us achieving our score.

GANNI

STRATEGY
EUROPE

YEAR OF INVESTMENT
2017



B CORP FEATURE: GANNI (CONTINUED)

“ It’s a huge decision to change the bylaws to demonstrate that *GANNI* is in business not just to make profit, but also to benefit people and the planet. The value of the certification was well understood by *L Catterton* and the Board of Directors, and that made the process a lot more seamless. ”

– **LAUREN BARTLEY**
DIRECTOR OF SUSTAINABILITY & CSR

GOVERNANCE	17.2	Out of 20 points
WORKERS	21.2	Out of 40 points
COMMUNITY	18.9	Out of 40 points
ENVIRONMENT	29.1	Out of 135 points
CUSTOMERS	4.0	Out of 5 points
TOTAL	90.6	Out of 200 points

Who were the key supporters of B Corp Certification?

Andrea Baldo, our CEO, came to the weekly meetings to reinforce the internal campaign around hitting 100 points, which signaled to the team that he cared about the certification. And *L Catterton* was very supportive of *GANNI* pursuing B Corp Certification. It’s a huge decision to change the bylaws to demonstrate that *GANNI* is in business not just to make profit, but also to benefit people and the planet. The value of the certification was well understood by *L Catterton* and the Board of Directors, and that allowed us to streamline the process significantly.

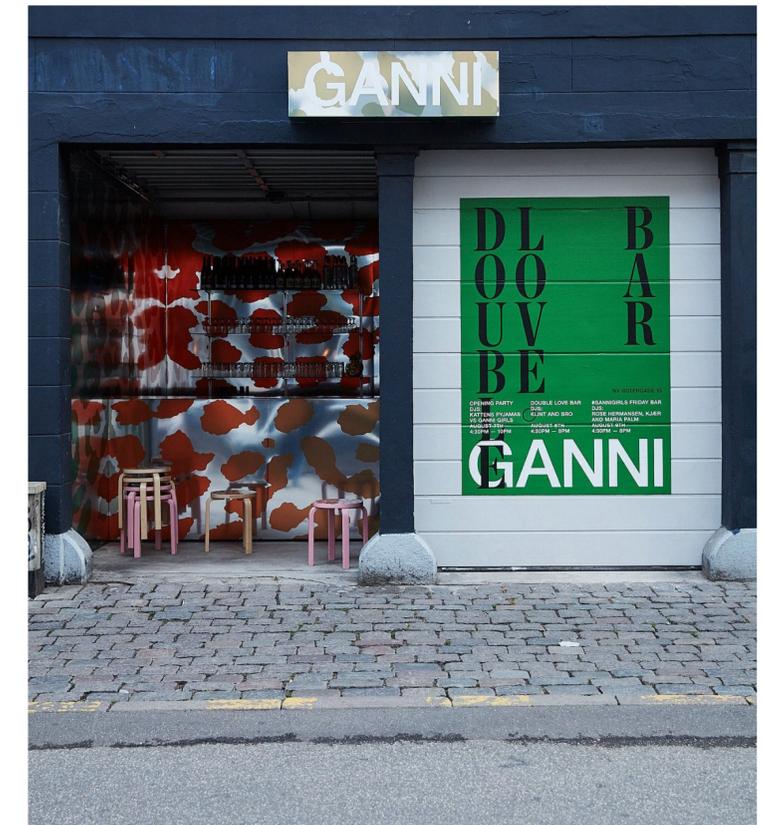
How will the Company’s sustainability strategy evolve in the future?

When we announced our B Corp Certification, we included a slide that showed where *GANNI* was within the broader fashion industry. While we were at the top for the advanced contemporary group, we also made a deliberate decision to draw attention to where Patagonia was, which is at the top of the entire industry with 150 points. Our next aspiration is to work toward 150 points. We’ve implemented a new strategy and we are working on some really exciting projects at the moment. We are running a program called “Fabrics of the Future” that will change the industry as we know it. We ask questions like, “What is the cotton of the future? Is the leather of the future going to be grown in a lab? Are these fabrics of the future made from waste?” Also, we are really thinking hard about reducing our carbon emissions, so we are in the process of developing carbon insetting initiatives and partnering with our suppliers to install solar panels and switch to renewable energy sources – there will need to be a lot more collaboration between the brand and our suppliers for us to reach our goals.

What advice would *GANNI* give to other brands pursuing B Corp certification?

Know that B Corp Certification is not just a sustainability initiative – it’s a certification

for the entire business. It will, of course, be an initiative for the sustainability team, but it encompasses so many aspects of business operations and you will need to incorporate people from across the company. We have partnered with B Labs to host several webinars to educate businesses on the B Corp certification, and one of our core theses is that the entire business needs to be involved, and senior leaders need to demonstrate buy-in for a brand to be successful. We would not have been able to succeed without the cross collaboration and support from team members across the Company, our Board of Directors, and *L Catterton*.



FEMME



~40% of clients are from low-income households

3,259 Free mammograms provided through 2022

1,433 Free Pap smears provided through 2022

FEMME is a medical diagnostics company with more than 40 years of experience dedicated exclusively to women’s health in Brazil. Challenges to healthcare access in Brazil often prevent women from completing critical health screenings. *FEMME* aims to address this issue by combining customized patient care, health education, and leading medical technology in its centers, providing women with quality and timely access to diagnostic services. *FEMME* estimates that around 40% of clients are from low-income households. *FEMME*’s services and programs are also largely driven by women, who constitute more than 94% of total employees and 57% of senior management and the Board.

FEMME’s health services are a key component of its B Impact Score, as companies with business models that are intended to create positive outcomes for customers are scored more highly. To that end, *FEMME* maintains women’s health outreach initiatives, “Mamografia do Bem” and “Papanicolaou do Bem,” to provide free access to breast and cervical cancer screening. Further recognizing *FEMME*’s ability to provide much-needed health services, the U.S. International Development Finance Corporation (DFC) announced in June 2022 that it would provide \$31M in financing to support the expansion of up to 27 women’s health diagnostic centers strategically placed in underserved areas. For the *FEMME* team, these initiatives are examples of how the company lives out its

purpose as a mission driven health services business. The company’s overall purpose, “Amor por ela” or “Love for her”, was an important motivator in its decision to pursue B Corp certification, which formally recognizes *FEMME*’s efforts not only to provide positive patient outcomes, but also to more broadly develop its ESG program to meet B Corp’s standards.

The idea for B Corp certification originated from *FEMME*’s ESG Committee, which is comprised of senior company leadership and three L Catterton team members. The ESG Committee also supported the day-to-day execution of the certification process, engaging a third-party consultant to provide additional insights. Through our involvement in the ESG Committee and broader engagement with *FEMME*, L Catterton has continued to coordinate with *FEMME*’s Sustainability and People & Culture Committees to ensure its organizational policies and procedures are aligned with its sustainability plans and initiatives. In October 2022, *FEMME* became the second medical diagnostics company in the world to achieve B Corp certification with an inaugural score of 87.2. *FEMME* anticipates that its B Corp Certification will better enable it to prepare for future ESG trends and access opportunities such as partnerships with other certified organizations and fundraising sources.



STRATEGY
LATIN AMERICA

YEAR OF INVESTMENT
2021



“ Purpose is deeply ingrained in *FEMME*. Being mission driven around women’s health is natural for the company. It was a matter of communicating that to get the B Corp certification. ”

– ROBERTO CARDOSO
DIRECTOR OF PEOPLE AND
INSTITUTIONAL CULTURE

ODONTO

Comprised of over 2,500 clinics across three brands, *OdontoCompany Group* is the largest dental clinic network in Brazil, providing dental care services to tens of millions of patients across the country. In the past year, *Odonto* has worked to embed ESG into its overall governance and business strategy. In January 2023, *Odonto* completed a materiality assessment aimed at identifying and prioritizing strategic items within its ESG agenda. As part of this process, *Odonto* engaged key stakeholders – including franchises, employees, and suppliers – to identify the most material ESG issues to the business and consider potential ESG opportunities with the greatest impact. Through these efforts, *Odonto* seeks to pioneer best practices in the dental care industry and provide top-tier care for its patients.

Given its franchising structure, *Odonto* recognized that clinics must adopt strong ESG practices for the broader organization to make meaningful ESG progress. As such, *Odonto* made significant efforts to standardize governance policies and procedures across all franchised clinics within its network, particularly through the rollout of its Sustainability Handbook, to strengthen its ESG program and support franchise-level

ESG practices. The handbook details priority initiatives, including reduction of energy and water consumption, use of reusable and/or biodegradable cleaning materials, as well as plastic and paper waste reduction.

Odonto has also begun to integrate ESG into training for all franchises, requiring new clinics to complete an ESG module as part of onboarding. For existing clinics, *Odonto* works with each franchise to identify action items that align with the company’s ESG objectives and provides ongoing ESG support.

These efforts to formalize ESG governance are supported by *Odonto*’s board-level ESG Committee, which includes participation from the *L Catterton* team, to inform ESG priorities, strategic planning, and goal setting. With the committee’s guidance, *Odonto* hired an external consulting group to further define and support achievement of its ESG goals. Looking ahead, Nathalia Torres, *Odonto*’s Chief Marketing Officer, will start to work with the ESG Committee and consulting group to advance internal and franchise-level ESG initiatives.



STRATEGY
LATIN AMERICA

YEAR OF INVESTMENT
2020



“ Actions aimed at ESG will only be successful in franchised clinics once [our ESG] agenda is strengthened and transparent...the response from franchises [to our focus on ESG] has been very good – they are all very earnest about ESG and want to take action. ”

– **BRYAN CHIARELLO**
SENIOR ESG AND SUSTAINABILITY ANALYST

5

OUR COMMUNITY

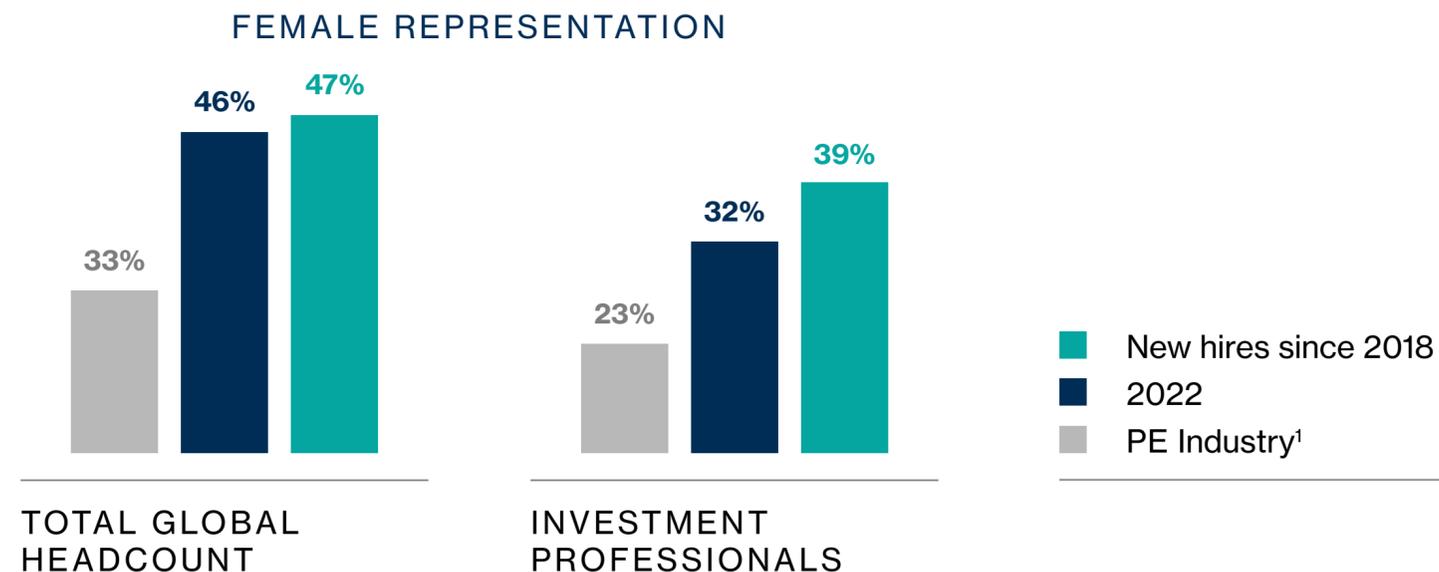
As individuals and as a team, we remain committed to the ideal of continuous improvement by supporting the growth, potential, and careers of every hard-working member of our team. We strive to build a sense of belonging and inclusion within our communities, starting with our employee culture and extending to our local communities as well as our networks in the investment and consumer industries.

OUR FOCUS ON DIVERSITY, EQUITY & INCLUSION

We believe that we must embody the message that we spread throughout our portfolio – that diversity, equity, and inclusion (DEI) are necessary, valuable, and drives collaboration and innovation. We continued to make progress towards integrating DEI into the Firm’s practices in 2022, focusing on a combination of tracking and improving key performance indicators (KPIs), increasing

internal awareness of relevant DEI support networks and funding opportunities, and aligning with industry-recognized frameworks.

DEI metrics help us ensure that we longitudinally track progress towards our DEI commitments, as well as assist in benchmarking ourselves against peer firms.



L CATTERTON’S INTERNAL DIVERSITY, EQUITY, AND INCLUSION PRACTICES ARE GUIDED BY OUR DEI MISSION STATEMENT, WHICH REMAINS OUR NORTH STAR.

“ L Catterton’s mission is to be the world’s leading consumer growth investor. Core to this mission is our continued commitment to building a team of professionals and portfolio companies that promulgate our firm’s core cultural values. We use the unique backgrounds, experiences, and perspectives of our team to responsibly and successfully invest in consumer companies globally. ”

49% Female Hires as a % of Total Hires

35% % of Senior Roles in the Firm held by females

1st Quartile
Americas Ranking for Women in Investment Roles in McKinsey’s State of Diversity in Global Private Markets study

1. Total global headcount industry and Investment Professionals benchmark per McKinsey: <https://www.mckinsey.com/industries/private-equity-and-principal-investors/our-insights/the-state-of-diversity-in-global-private-markets-2022>

SUPPORTING DEI INTEGRATION IN THE INDUSTRY

Throughout the past year, the Firm has continued to align with ILPA’s Diversity in Action initiative, of which we were a founding signatory, expanding our internal practices to better attract, recruit, support, and retain employees from diverse backgrounds. The goal of the initiative is to motivate market participants to engage in the journey towards becoming more diverse and inclusive and to build momentum around the adoption

of specific actions that advance DEI over time. We are committed not just to recruiting in the short term, but to building out the candidate pipeline in the long term and diversifying the industry as a whole by sponsoring diverse campus groups, hiring diverse talent at all levels, and facilitating more opportunities for individuals from underrepresented backgrounds. Below is a selection of our DEI efforts in 2022:



Girls Who Invest: A non-profit organization focused on creating educational and career development opportunities for young women in the investment field. In 2022, we made a donation of \$50,000 to the organization and invited two student interns to join us for the summer in order to expose them to the world of private equity and investment banking. We expect to host more interns and maintain this partnership in the years to come.

Sponsors for Educational Opportunity

(SEO): We began working with SEO in 2022 to support and mentor talented recent graduates from diverse backgrounds within the investment

banking field. SEO’s mission is to educate, mentor, and provide access to students who are traditionally underrepresented across a number of fields, including investment banking in the alternatives industry. Their diverse talent network has supported our own recruitment efforts. As a result of the partnership, we have hired a few new analysts onto the L Catterton investment team. In addition to leveraging SEO’s platform, we pledged \$75,000 to help further their mission and expand their impact.

10,000 Black Interns: The organization’s mission is to help create opportunities for underrepresented talent in partnership with

multinational corporations across a large scope of industries in the United Kingdom. After joining this initiative in 2022, we are pleased to share that our first intern from the program started in May 2023.

University Affinity Groups: Realizing that funneling diverse talent into our pipeline and the broader private equity sector requires early exposure and education, we have continued to sponsor and fund various school-specific diverse recruitment groups including Wharton Women in Business, Harvard Business School’s Women in Investing, and Harvard Business School’s Black Investment Club.

Level 20: We have continued our sponsorship of Level 20, a non-profit organization with a mission to encourage greater female representation across the private equity industry. As part of our involvement, we recently hosted a networking event in our London office to help women in the industry forge new connections.

France Invest Charter: L Catterton Europe is a signatory of the France Invest Charter, which commits to promoting gender parity within management at companies funded by French private equity.

INVESTING IN OUR TEAM

At *L* Catterton, we truly value each and every individual on our team and recognize that they are our most valuable resource. We understand the importance of holistically investing and supporting the foundation of what makes our Firm so successful and are fervent in our efforts to help our employees be at their best. Through the expansion of access and support to benefits that encompass our diverse team we help to ensure every employee feels supported, valued, and heard.



Maven Digital Health: This digital health platform provides all-in-one parenthood planning services. Employees and their partners get access to Maven for support through fertility and preconception; pregnancy and postpartum; adoption; surrogacy; and early pediatrics, with coverage for parents of children up to 10 years old. The Firm provides employees up to \$20k for fertility services using Maven, and free use of Maven Milk, a breastfeeding solution for new parents returning to work, to all employees globally.



Summus: Summus provides virtual access to a world-class medical advisory team who are available by phone or video from anywhere in the world – across all health concerns. *L* Catterton offers this benefit to all employees globally. Summus also provides employees with vetted physician referrals and a dedicated concierge and medical advisor for every engagement.



2045 Studio: We are excited to announce our partnership with Porter Braswell, founder of 2045 Studio and Jopwell, in an effort to expand our network of diverse investment professionals. Porter has spearheaded multiple diversity efforts, including 2045 Studio (a collection of brands – such as Diversity Explained – dedicated to making diversity approachable for all) and Jopwell (an HR tech platform that helps diverse students and professionals unlock opportunities for career advancement). Under Porter’s leadership, Jopwell has formed partnerships with more than 400 of America’s leading companies and has facilitated tens of thousands of connections between the Jopwell community members and its clients. Through our partnership with Porter, we will be hosting several Diversity Explained dinners. These dinners are curated and intimate events that will connect the *L* Catterton team directly to a network of diverse investment professionals. Diversity Explained will lead thoughtful conversations that promote authentic and unique interactions.



INVESTING IN OUR TEAM (CONTINUED)



McKinsey
& Company

Women in
the Workplace
2020



Women’s Dinner Series: We continued to host our bi-annual event series in which women in our North American and Latin American offices are able to attend small group dinners and connect with other women at the Firm. We hope this series continues to unite women across offices and empower new and fruitful mentorship and networking opportunities.

McKinsey State of Diversity in Global Private Markets: Private Equity: We use this report to assess how the Firm and the competitive market are progressing with regard to employment and treatment of women and minorities. This report focuses on the statistics of new hires, terminations, promotions, and team structures throughout each firm, highlighting areas of success as well as areas for improvement.

Great Place to Work: As a result of our commitment to our employees, we were named a Great Place to Work in 2022 for the third consecutive year, based on findings from a third-party certification survey. This survey anonymously polls employees on their experiences at our Firm, and our scores indicate high employee engagement and satisfaction.

Commuter Benefit: A van transportation service providing free commuter transportation between New York City and our Greenwich, CT office, decreasing our carbon footprint.

GIVING BACK TO OUR COMMUNITY

We have a long tradition of supporting charitable organizations within our surrounding communities. We are proud of our work to create healthy and inclusive communities through our philanthropic grants and investments.



Donation Matching: Our employer match program allows us to enhance the impact of our employees' charitable efforts. The Firm matches up to \$2,000 per employee each year, with our donations spanning across dozens of charities selected by employees.

Day of Giving: At the Firm we have continued to support local charitable causes in 2022 through employee volunteer events. In 2022 over the course of three days, 130 team members volunteered at the Filling in the Blanks food bank in Norwalk, CT, where employees spent the day serving their community. We also made a \$10,000 donation to the food bank to support the organization's mission to combat childhood hunger.

Days of Service: Our employees are granted two days a year to dedicate to charitable initiatives of their choice.

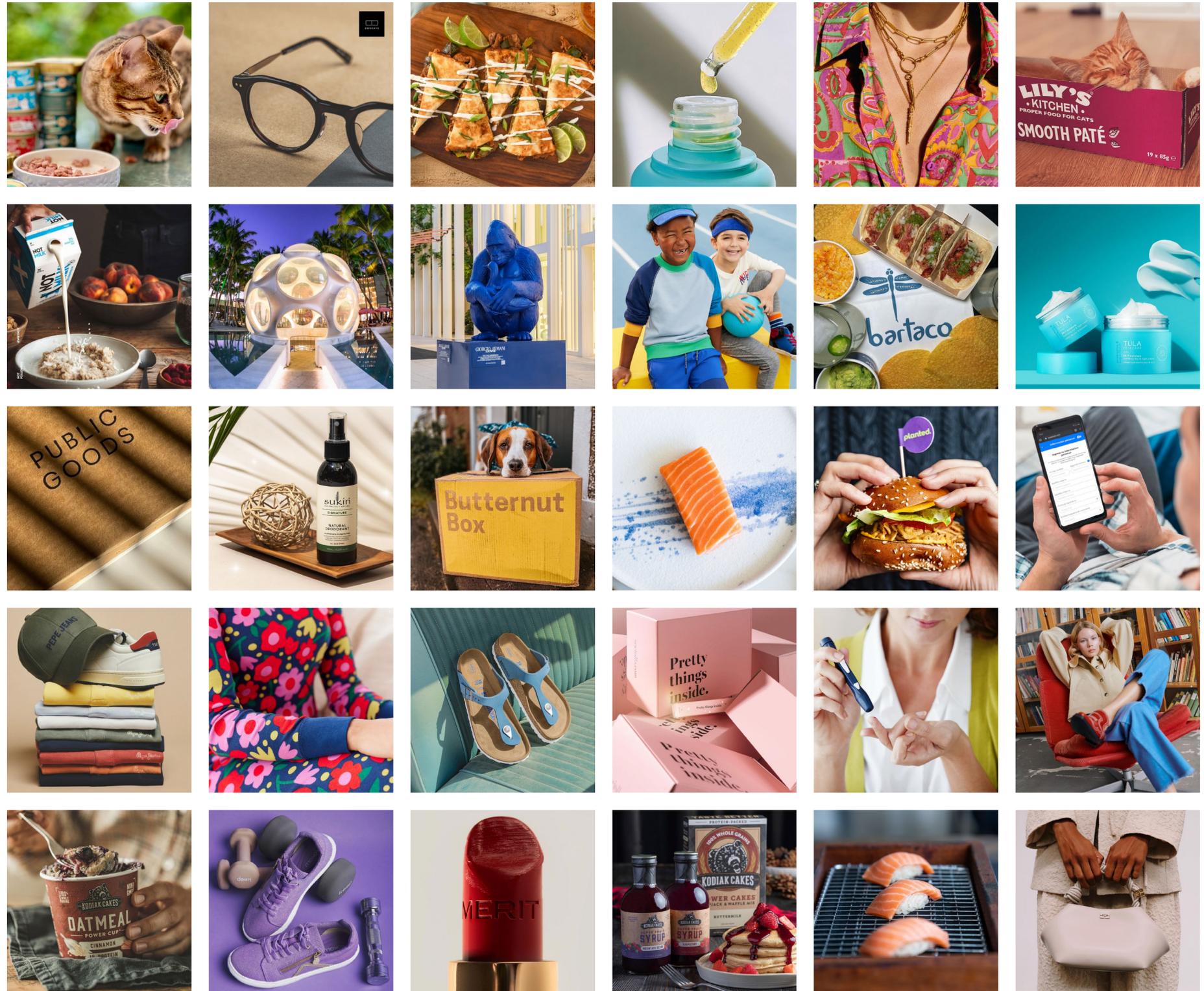
Kids in Crisis: In 2022, we held another iteration of our annual coat drive, where our Firm donates dozens of new coats and jackets to support Kids in Crisis, a local charity that provides temporary housing and comprehensive medical, educational, and therapeutic support services for children of all ages in Fairfield County, CT.

Industry DEI Groups: Our Firm contributed financial support to various DEI groups in 2022, including Girls Who Invest, Sponsors for Educational Opportunity, the Wharton Women in Business Club, and the HBS Black Investment Club. In total, donations to these four groups totaled ~\$145k in 2022.



ABOUT L CATTERTON

L Catterton is a market-leading consumer-focused investment firm, managing approximately \$34 billion of equity capital and three multi-product platforms: private equity, credit, and real estate. Leveraging deep category insight, operational excellence, and a broad network of strategic relationships, L Catterton's team of more than 200 investment and operating professionals across 17 offices partners with management teams to drive differentiated value creation across its portfolio. Founded in 1989, the firm has made over 250 investments in some of the world's most iconic consumer brands. For more information about L Catterton, please visit latterton.com.



L CATTERTON