



# RESPONSIBLE INVESTING REPORT



Arsenal Capital Partners

# TABLE OF CONTENTS

**RESPONSIBLE INVESTING AT ARSENAL ..... 3**

    Introduction ..... 4

    Our Responsible Investing Journey ..... 6

    Collaborations and Memberships..... 7

    Responsible Investing Oversight ..... 8

    Integrating ESG into the Investment Lifecycle ..... 9

    Aligning with the TCFD ..... 10

    Environmental Metrics..... 11

    Our People..... 12

**ARSENAL PORTFOLIO ESG HIGHLIGHTS ..... 14**

    Portfolio Highlights ..... 15

    Sustainable Development Goals ..... 16

    ESG in Action ..... 17

**ARSENAL GIVES BACK ..... 24**



**RESPONSIBLE  
INVESTING  
AT ARSENAL**



# INTRODUCTION

## A MESSAGE FROM OUR CO-FOUNDERS



**TERRY MULLEN**



**JEFF KOVACH**

Since the firm's founding, Arsenal's vision has been to build strategically important, market-leading companies. To achieve this objective, the companies that we build must focus on best-in-class operations, strong management teams, attention to human capital, and effective risk management. We believe that companies that operate in this manner are better run, have fewer business risks, offer more attractive targets at exit, and therefore ultimately deliver better value. These operating principles underpin every facet of how we manage our business, including our approach to responsible investing. We believe that integrating environmental, social, and governance (ESG) considerations into our investment process enables us not only to build more resilient companies but also to create long-term value.

In recognition of the continued evolution of the ESG landscape, we have made significant strides in advancing our responsible investing program. Our fifth annual Responsible Investing Report outlines several key initiatives that we completed in 2022. For example, we

hired Marion Hayes as our dedicated Head of Responsible Investing. Marion is a proven leader with 16 years of industry experience, including most recently as Senior Vice President of ESG Management at a large alternative asset management firm. At Arsenal, she is focused on executing the firm's responsible investing program as well as leading new initiatives at both the firm and with our portfolio companies. She also chairs Arsenal's cross-functional Responsible Investing Committee.



**WE BELIEVE THAT INTEGRATING ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS INTO OUR INVESTMENT PROCESS ENABLES US NOT ONLY TO BUILD MORE RESILIENT COMPANIES BUT ALSO TO CREATE LONG-TERM VALUE.**

We joined the Sustainability Accounting Standards Board (SASB) and are utilizing SASB's engagement guide to identify the material, industry-specific ESG considerations in our due diligence process. In early 2023 we became a signatory to the United Nations-supported Principles for Responsible Investment (PRI), a leading global proponent of responsible investing. Joining the PRI publicly demonstrates our commitment to incorporate, where consistent with our fiduciary responsibilities, the PRI's principles into our investment and management practices.

We recognize the significant impacts that climate change may have on our businesses. Against this backdrop, we joined the Initiative Climat International (ICI), a collaborative working group of investors that seek to better understand and manage the risks associated with climate change. In addition, we began the process of aligning with the Task Force on Climate-related Financial Disclosures (TCFD), by incorporating a physical climate risk assessment in our due diligence process for new platforms and for significant add-on investments. As part of this work, we also undertook a physical climate risk assessment and a transition risk assessment of our existing portfolio, the findings of which are laid out in this report. Finally, we started to measure Arsenal's operational greenhouse gas (GHG) emissions as well as the GHG emissions for Fund VI and Growth Fund investments.

This report outlines the significant initiatives we launched in 2022, and our objective is to continually advance our responsible investing program. We deeply appreciate your continued trust in Arsenal as stewards of your capital.

**Terry Mullen**  
Managing Partner

**Jeff Kovach**  
Managing Partner

# INTRODUCTION

## ARSENAL AT A GLANCE

Arsenal Capital Partners is a leading private equity firm that specializes in investments in industrial growth and healthcare companies. Since its inception in 2000, Arsenal has raised institutional equity investment funds totaling approximately \$11 billion, completed more than 250 platform and add-on acquisitions and achieved more than 30 realizations. The firm works with management teams to build strategically important companies with leading market positions, high growth, and high value-add.

## ARSENAL BY THE NUMBERS<sup>1</sup>

**\$11bn**

in assets under management

**24**

portfolio companies

**7**

funds raised since Arsenal's inception

**18,500+**

portfolio company employees

**90**

Arsenal employees

**23**

years of successfully building businesses

## INDUSTRIAL GROWTH

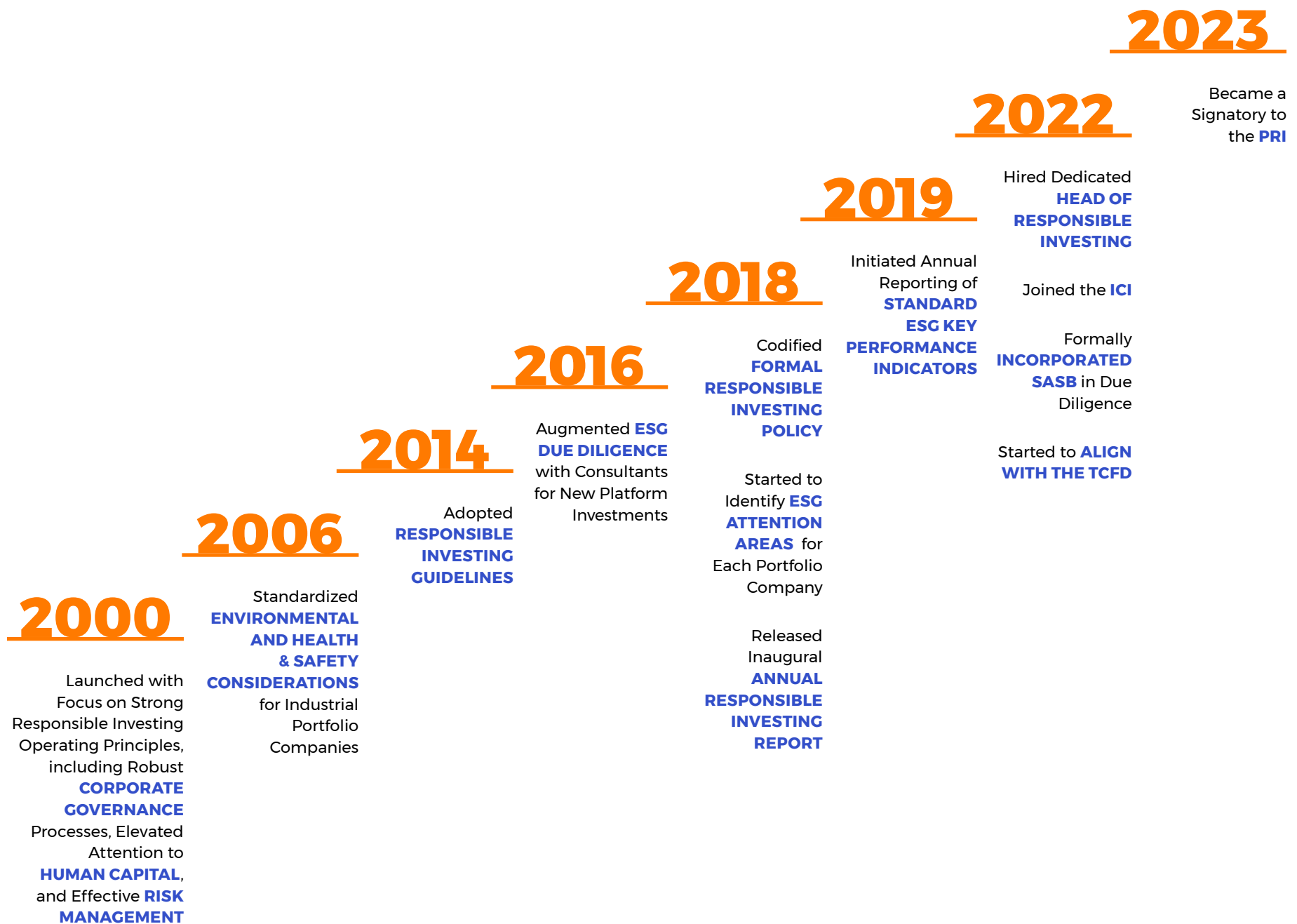
Building differentiated solutions businesses that aim to deliver high performance and value-add to markets

## HEALTHCARE

Building technology-rich growth companies that seek to improve health outcomes and transform the healthcare system

1. As of December 31, 2022.

# OUR RESPONSIBLE INVESTING JOURNEY



# COLLABORATIONS AND MEMBERSHIPS

**TO CONTINUALLY ALIGN** our responsible investing program with best practices, we have formally joined and/or actively engage with leading industry organizations and frameworks.



In early 2023, we became a signatory to the United Nations-supported Principles for Responsible Investment, a leading proponent of responsible investing across the globe, representing a global network of investors committed to integrating the consideration of material ESG factors into their investment practices.



In 2022, we became a member of the Initiative Climat International. Supported by the PRI, the ICI is a global collaborative network of investors who seek to better understand and manage the risks associated with climate change.



In 2022, Arsenal joined the Sustainability Accounting Standards Board Alliance. We utilize the SASB engagement guide in our due diligence process to identify the material ESG considerations for a potential investment based on its industry.



In 2022, we started to align to the recommendations of the Task Force on Climate-related Financial Disclosures. The TCFD is the leading climate disclosure framework that enables companies to measure and disclose their material climate-related risks and opportunities.



# RESPONSIBLE INVESTING OVERSIGHT

## ARSENAL'S RESPONSIBLE INVESTING COMMITTEE

Arsenal has established a formal cross-functional Responsible Investing Committee whose primary objective is to support Arsenal's ongoing ESG initiatives based on business imperatives, industry and regulatory developments, and best practices. The committee meets on a quarterly basis and has the following mandates:

- Assist in setting Arsenal's general strategy with respect to ESG matters and consider and recommend practices that support this strategy
- Discuss current and emerging ESG matters that may be relevant to Arsenal
- Help drive internal implementation of relevant ESG-related initiatives
- Set the tone and reinforce the culture within Arsenal regarding the firm's responsible investing approach
- Ensure adherence to Arsenal's Responsible Investing Policy

## FIRM LEADERSHIP



**Marion Hayes**  
Head of Responsible Investing,  
Committee Chair



**Terry Mullen**  
Managing Partner



**Jeff Kovach**  
Managing Partner



**Frank Scrudato**  
Chief Financial Officer



**Patricia Grad**  
Head of Investor Relations

## INVESTMENT TEAM MEMBERS



**Sal Gagliardo**  
Operating Partner,  
Industrial Growth



**Martin Coulter**  
Operating Partner,  
Healthcare



**John DiGiovanni**  
Investment Partner,  
Healthcare



**Jonathan Laifer**  
Principal,  
Healthcare



**Robert Sorrel**  
Principal,  
Industrial Growth



# INTEGRATING ESG INTO THE INVESTMENT LIFECYCLE

**AS OUTLINED IN OUR RESPONSIBLE INVESTING POLICY**, we endeavor to incorporate ESG considerations throughout the investment lifecycle to both mitigate risk and identify value creation opportunities.

## DUE DILIGENCE

We conduct ESG diligence on all potential platform investments as well as significant add-on investments. By evaluating ESG considerations during investment due diligence, we take a proactive approach to identify both ESG risks and opportunities for value creation prior to making an investment. As many of our investment leaders have spent decades in management and operating roles within the industries where we invest, we have deep domain knowledge of how ESG issues and opportunities manifest themselves within industrial and healthcare portfolio companies.

We also engage third-party advisors to conduct ESG diligence and incorporate the SASB engagement guide to identify industry specific ESG considerations. A summary of the identified ESG risks and opportunities is included in Arsenal's investment committee memos.

## ONGOING MANAGEMENT

Post-acquisition, we actively engage with each portfolio company to identify ESG opportunities and risks. Where we maintain a controlling stake in a company, we seek to work with the company to identify three primary ESG attention areas to focus on over a several-year period and develop key performance indicators for each area. Each portfolio company then establishes annual objectives, and we measure performance against these objectives and report on progress annually. Our investment and operating partners are deeply involved in driving each company's progress against the identified ESG attention areas and updates on key initiatives and objectives are discussed during quarterly portfolio company board meetings. For those companies where we do not have a controlling interest, we aim to use our influence, for example, through our board representation, to guide the company toward implementing responsible investment practices.

Starting with Fund V, we collect a standard set of ESG metrics on an annual basis, and we are continuing to expand and refine this metrics collection process. For Funds VI and the Growth Fund, we are also measuring and reporting on the scope 1 and 2 greenhouse gas (GHG) emissions of our portfolio companies.

# ALIGNING WITH THE TCFD

**WE BELIEVE THAT** climate change presents significant challenges for our society and that private equity firms have a critical role to play in ensuring that the portfolio companies they manage are well-positioned for a climate-resilient economy.

## PHYSICAL CLIMATE RISK ASSESSMENT

At Arsenal, we have incorporated a physical climate risk assessment as part of our due diligence process for any new platform and significant add-on investment. In addition, we completed our first physical climate risk analysis for Arsenal's approximately 500 portfolio company locations. The assessment was based on two climate scenarios: (i) a strong mitigation scenario, also known as Representative Concentration Pathway (RCP) 2.6, which assumes that global temperatures rise approximately 1.8°C by 2100, a key goal of the Paris Climate Agreement; and (ii) a middle-of-the road scenario, or RCP 4.5, which assumes that climate change worsens through the end of the century with global temperatures rising by approximately 2.4°C by 2100.<sup>1</sup> Each climate scenario was then mapped out over a five-year, 15-year and 30-year time period with respect to the main physical hazards, such as wildfire, inland flooding,

tropical cyclones and hurricanes, sea level rise, water stress and heatwaves. Based on the middle-of-the road scenario, fewer than 3% of our portfolio company sites have a greater than 5% asset value loss risk due to physical hazards between now and 2050. The majority of this potential loss is contributed to hazards related to inland flooding, followed by tropical cyclones.

## TRANSITION RISK ASSESSMENT

We also conducted an assessment to better understand the potential implications of the transition to a lower-carbon economy on our portfolio. Utilizing bottom-up GHG emissions data where available, supplemented by top-down proxy emissions data, the transition risk analysis focused on the potential implications of current and future carbon tax and carbon trading regimes.<sup>2</sup> The assessment assumed that total scope 1 and 2 GHG emissions would be regulated and that the emissions would be divided equally by each site. Across Arsenal's portfolio, a total of 24 facilities, representing approximately 5% of portfolio company sites, are already regulated by an emissions trading system, or ETS. An additional 31 facilities may fall under an ETS regime in the next five to ten years if inclusion thresholds are reduced, bringing the total

portfolio exposure to 11%. Airnov, which Arsenal divested in early 2023, was included in the above estimates. Post-divestiture, 21 facilities, representing approximately 4%, are currently regulated by an ETS and 27 facilities may fall ETS regimes in the next five to ten years, reducing the total portfolio exposure to 10.5%.

## KEY METRICS

**500**

total portfolio sites evaluated for physical and transition risk

**<3%**

of portfolio company sites with physical climate risk exposure

**89%**

of portfolio company sites with no material carbon pricing exposure

**76%**

lower weighted average GHG emissions intensity compared to the MSCI World Index<sup>3</sup>

**Zero**

fossil fuel investments

1. A Representative Concentration Pathway (RCP) is a greenhouse gas concentration (not emissions) trajectory adopted by the Intergovernmental Panel on Climate Change (IPCC). The pathways describe different climate futures, all of which are considered possible depending on the volume of greenhouse gases (GHG) emitted in the years to come. The RCP 2.6 assumes that carbon emissions begin to decline around 2020 and a global mean temperature rise of ~1.8°C by 2100 in line with the objective of the Paris Agreement. The RCP 4.5 assumes emissions will continue to rise through mid-century before beginning to decline, resulting in a global mean temperature rise of ~2.4°C by 2100.
2. The review of international emissions trading systems is based on publicly available resources, such as the International Carbon Action Partnership, which can be accessed [here](#).
3. Compares Arsenal's GHG emissions intensity against the MSCI World Index, based on the weighted average scope 1 and 2 metric tons of carbon dioxide equivalent divided by US\$ millions in enterprise value including cash. Source: [MSCI IndexMetrics®](#)

# ENVIRONMENTAL METRICS

## ENVIRONMENTAL METRICS OF ARSENAL'S OPERATIONS

Below is a summary of the key environmental metrics of Arsenal's operations, including its scope 1 and 2 GHG emissions, water usage, waste and recycling metrics.

	UNIT	2022	2021	2020
<b>Operational GHG Emissions</b>				
Scope 1 Direct	mtCO <sub>2</sub> e	0	0	0
Scope 2 Indirect (Location-Based)	mtCO <sub>2</sub> e	240	195	185
Electric	%	90%	90%	91%
Steam	%	10%	10%	9%
<b>Water</b>				
Water Withdrawal	m <sup>3</sup>	836.80	752.62	878.99
<b>Waste</b>				
Total Waste <sup>1</sup>	Metric Tons	7.22	8.43	8.23
Waste Diverted from Landfill <sup>2</sup>	%	47%	47%	47%
<b>Organizational Metrics for Intensity Calculations</b>				
Employee Headcount	FTE	90	68	58
Office Square Footage	Square Feet	26,900	21,500	21,500

1. Waste data is pro-forma for the months of April through August 2020 due to COVID-19.

2. Includes recycled metal, glass, plastic and mixed paper.



# OUR PEOPLE

## HUMAN CAPITAL DEVELOPMENT

Our success is driven by our people, and we place a high value on creating a culture that enables our teams to thrive. Our human capital strategy seeks to enable our employees to reach their full potential and accelerate our team's growth. This philosophy is embedded in how we recruit, onboard, develop, and retain our top talent.

During the recruitment process, we utilize leadership assessments to understand key strengths and areas for growth to make informed hiring decisions. We leverage these key insights to create onboarding and training programs that ensure role clarity, as well as measurable goals and expectations. We also provide tailored coaching to strengthen the cohesion of our teams, and we conduct bi-annual review processes that focus on building personalized development plans tailored to each team member's goals.

We deliberately and consistently invest in our talent to ensure continued development and growth, which we view as pivotal to our collective success.

## DIVERSITY, EQUITY AND INCLUSION (DEI) AT ARSENAL

We understand that companies with diverse leadership, equitable practices, and inclusive cultures make better decisions and create greater value. Since inception, we have been committed to attracting and developing a diverse team with broad experiences, capabilities, and backgrounds. Recognizing that there is more that we can do to improve our gender and ethnic diversity, we continue to elevate and amplify our efforts in this area.

## DIVERSITY BY THE NUMBERS<sup>1</sup>

### Total Employees

**36%**

Women

**28%**

Ethnic Diversity<sup>2</sup>

### Investment Team

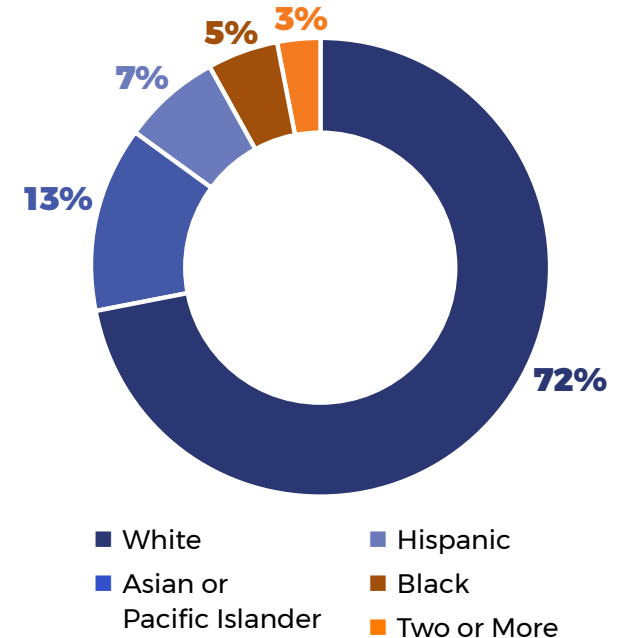
**10%**

Women

**17%**

Ethnic Diversity<sup>2</sup>

### Ethnic Diversity Breakdown



1. Arsenal's total workforce comprises 90 employees with an investment team of 60 employees.

2. Ethnic diversity definition is aligned with the U.S.' Equal Employment Opportunity Commission (EEOC) and entails these four groups: American Indian or Alaskan Native, Asian or Pacific Islander, Black, Hispanic, and Two or More (i.e., individuals who chose more than one of these categories). The pie chart shows the ethnic diversity breakdown for Arsenal's total workforce.

# OUR PEOPLE

## DIVERSITY ORGANIZATIONS WE SUPPORT

We support several organizations that focus on the attraction and retention of women and ethnically diverse individuals within private equity, including BLK Capital Management, Girls Who Invest, Management Leadership for Tomorrow (MLT), and Women's Association of Venture and Equity (WAVE).



Through Arsenal's participation in McKinsey and Company's Connected Leaders Academy, portfolio company leaders who identify as Black, Hispanic and Latinx, and Asian are able to enroll in leadership development programs. These programs equip participants with skills, peer networks, and sponsorship to accelerate their development.



## WOMEN IN PRIVATE EQUITY BREAKFAST

In December 2022, Arsenal hosted its first Women in Private Equity breakfast to provide a networking forum for women working in private equity. On behalf of our attendees, Arsenal made a donation to Girls Who Invest, an organization focused on bringing more women into the investment management industry with the goal of having 30% of the world's investable capital managed by women by 2030.

## SUMMER INTERNSHIPS

Each year, we host an eight-week summer internship program that allows students to develop technical and business skills. The program is intended to build a pipeline of next-generation talent and help students from underrepresented backgrounds gain experience in private equity. In 2022, 22% of Arsenal's interns were MLT scholars.

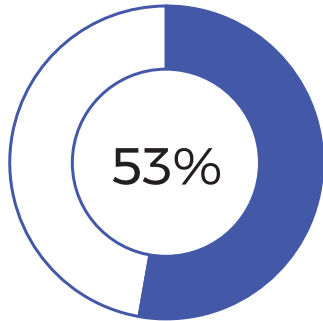


**ARSENAL**  
**PORTFOLIO ESG**  
**HIGHLIGHTS**

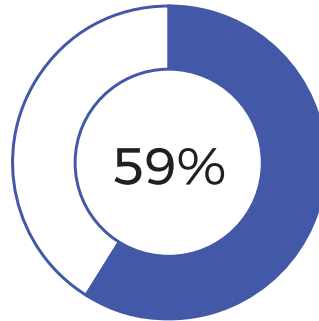


# PORTFOLIO HIGHLIGHTS

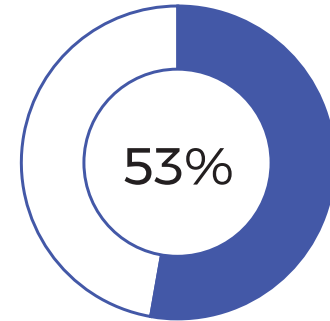
**ARSENAL COLLECTS** a series of uniform ESG metrics from portfolio companies in Fund V, Fund VI and the Growth Fund to provide investors with a sense of the breadth of responsible investing activities. The metrics reflect the responses from 17 portfolio companies: nine industrial companies and eight healthcare companies. Highlights from the 2022 metrics collection are shown below:



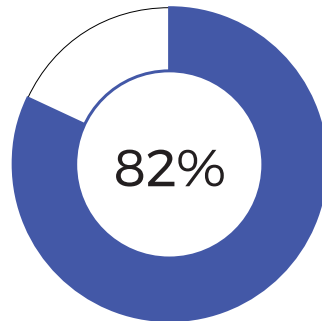
measure their GHG emissions



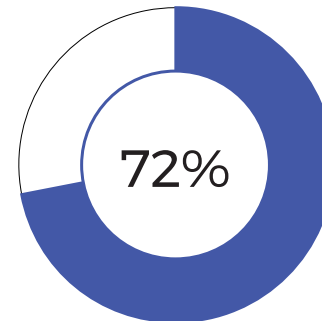
monitor their energy consumption



have energy reduction initiatives in place



have a health & safety policy in place



have a below-industry-average TRIR<sup>1</sup>

**335K**

total health & safety  
training hours provided

**113K**

cybersecurity  
training hours provided

**Zero**

environmental violations  
at our industrial companies<sup>2</sup>

1. Total Recordable Incident Rate (TRIR) for the primary industries in which the companies operate based on NAICS codes. Source for industry TRIR averages: <https://www.bls.gov/iif/nonfatal-injuries-and-illnesses-tables/table-1-injury-and-illness-rates-by-industry-2021-national.htm>

2. Refers to the number of notices of environmental violations received from regulatory agencies.

# SUSTAINABLE DEVELOPMENT GOALS



**THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS** (UN SDGs) provide a blueprint for a better and more sustainable future for all by addressing the global challenges that our world faces. The business activities of many Arsenal portfolio companies address several of the UN SDGs.

## UN SDGs

## UN TARGET

## PORTFOLIO COMPANIES



### 3. GOOD HEALTH AND WELLBEING:

Ensure healthy lives and promote well-being for all at all ages

**3.4** Reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.

**Accumen** (blood management program)  
**MaxHealth** (value-based primary care)  
**OncoHealth** (oncology telehealth service)  
**Epic Sciences** (oncology profiling)  
**CellCarta** (oncology programs)  
**Certara** (model-based drug development)



### 9. INDUSTRY, INNOVATION AND INFRASTRUCTURE:

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

**9.5** Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

**AvCarb** (hydrogen fuel cell technology for zero emission energy)  
**ATP** (emission reduction through water-based adhesive tapes)  
**Seal for Life** (bio-based polyurethane floor coating)



### 12. RESPONSIBLE CONSUMPTION AND PRODUCTION:

Ensure sustainable consumption and production patterns

**12.4** Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

**12.5** Substantially reduce waste generation through prevention, reduction, recycling and reuse.

**ATP** (input reduction and hazardous waste minimization)  
**Chroma** (waste reduction through product optimization)  
**Revolution** (post-consumer recycled products)



### 13. CLIMATE ACTION:

Take urgent action to combat climate change and its impacts

**13.2** Integrate climate change measures into national policies, strategies and planning.

**ATP** (GHG emissions reduction plan)  
**Chroma** (energy reduction plan)  
**Invio Automation** (energy reduction plan)  
**Fralock** (GHG emissions baseline and reduction opportunities)  
**WCG** (efficiency improvements and GHG emissions reduction)



**ESG**  
**IN ACTION**



# INDUSTRIAL GROWTH CASE STUDIES

## REDUCING ENVIRONMENTAL IMPACT THROUGH SUSTAINABLE PRODUCT INNOVATION

Several of Arsenal's industrial growth portfolio companies have made significant strides in developing sustainable solutions for their product portfolios and operations that are more environmentally friendly, as highlighted in the following case studies.



**SECTOR:**  
INDUSTRIAL GROWTH

**INVESTMENT YEAR:**  
2022

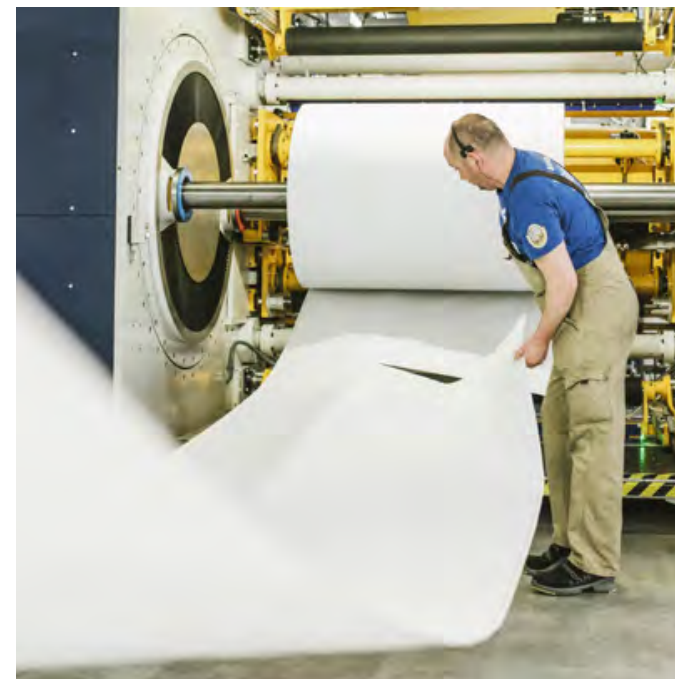
**STATUS:**  
CURRENT

**FOCUS AREA:**  
ADHESIVE AND SEALANTS

## PIONEERING ENVIRONMENTALLY FRIENDLY ADHESIVE TAPE TECHNOLOGY

ATP, a leading developer, manufacturer and supplier of specialized, single- and double-sided adhesive tapes, pioneered the development of water-based adhesive tapes that could perform at the same level as less environmentally friendly technologies. In making the sustainability of its tapes a priority, ATP has enabled its customers to improve the sustainability profiles of their own products. Manufactured on state-of-the-art coating machines, ATP's products are utilized in a broad range of medical, mobility, construction, electronics, industrial, and graphics applications.

ATP's high-quality, water-based adhesive tapes are considerably more environmentally friendly than solvent-based alternatives. The typical lifecycle carbon footprint of water-based adhesives is approximately 50% lower than that of solvent-based adhesives.<sup>1</sup> Additionally, ATP's products emit approximately 98% less volatile organic compounds (VOC) compared to solvent-based peers.<sup>2</sup> VOC emissions are a key contributor to indoor air pollution and have been linked to imminent and chronic health effects in addition to posing a significant fire and explosion risk. The significantly lower carbon footprint, reduced energy intensity, and price advantages of ATP's water-based adhesive tapes result in strong market demand for solvent-free adhesive solutions.



1. Source: [ATP's Sustainability Report](#).

2. Results are based on VDA 278, an internationally accepted, standardized test procedure for VOC emissions in the automotive industry.



**SECTOR:**  
INDUSTRIAL GROWTH

**INVESTMENT YEAR:**  
2019

**STATUS:**  
SOLD IN EARLY 2023

**FOCUS AREA:**  
SPECIALTY PACKAGING

## INNOVATION LEADS TO WASTE AND EMISSIONS REDUCTION

In 2022, Airnov, a leading global manufacturer of controlled atmosphere packaging solutions used to protect healthcare products from moisture and oxygen, introduced a new sustainable packaging solution to reduce waste. The new packaging is utilized for approximately 5%-10% of all products, and was used to replace non-recyclable materials. Airnov developed a new packaging solution that naturally decomposes and originates from sustainable biomaterials. Since this packaging solution is recyclable, it also diverts waste from landfills.



The new packaging solution not only targets non-recyclable material consumption but also aims to reduce transportation emissions. The new boxes are more durable than conventional carton boxes, allowing pallets to be double stacked with 50% more material in the same footprint compared to a single pallet. The result is a reduction in freight costs for customers, fewer trucks needed to transport goods, and lower carbon emissions.



In recognition of this innovative approach, Airnov France obtained the PLUS certificate from the International Sustainability and Carbon Certification (ISCC). The certificate guarantees that the end-product contributes to the ISCC approach by using renewable feedstock.



**SECTOR:**  
INDUSTRIAL GROWTH

**INVESTMENT YEAR:**  
2017

**STATUS:**  
CURRENT

**FOCUS AREA:**  
POLYMERS AND ADDITIVES

## DEVELOPING ENVIRONMENTALLY FRIENDLY PRODUCT SOLUTIONS

Chroma Color is a supplier of specialty color and additive concentrates for plastics that serve a diverse range of markets. The company has developed an ESG roadmap that focuses on evolving its operations to reduce its impact on the environment. As part of this roadmap, Chroma has set ambitious operational targets that the company aims to achieve by 2030; namely, to reduce electricity and water usage by 25%, respectively, and to reduce solid waste by 30%.

As one measure to accomplish these operational targets, Chroma focuses on providing products that enable its customers to more effectively utilize recycled materials. The company's patented line of G-Series products, which represents approximately 15% of total revenue, significantly improves the coloring of recycled resins, such as ocean plastics, bioplastics and other sustainable resins. This product line increases the yields of color pellets, and its production requires lower energy consumption, which in turn results in less waste. Finally, because of the highly concentrated nature of this product, one truckload of Chroma's G-Series products can replace three truckloads of traditional materials, resulting in lower carbon emissions. Sales of the G-Series product line have grown by double digits for each of the last four years.





## **BUILDING MORE RESILIENT BUSINESSES, IMPROVING PATIENT WELLBEING AND INCREASING EMPLOYEE ENGAGEMENT**

Arsenal's healthcare companies focus on improving patient wellbeing and strengthening the resilience of their businesses by implementing robust data privacy and security measures to protect patient information. They are also committed to employee engagement, ensuring that their employees are given opportunities for growth and development.



**SECTOR:**  
HEALTHCARE

**INVESTMENT YEAR:**  
2022

**STATUS:**  
CURRENT

**FOCUS AREA:**  
SPECIALTY CARE DELIVERY

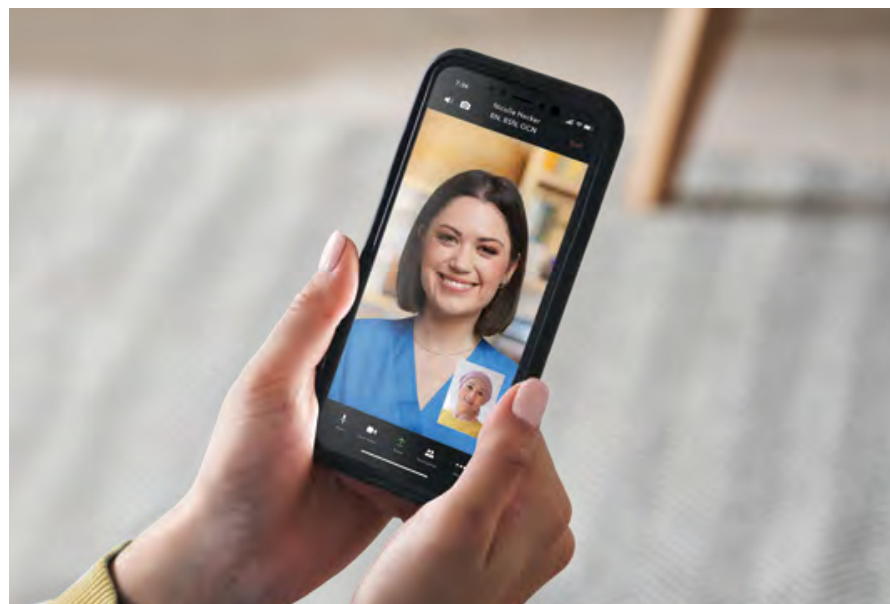
### **IMPROVING THE WELLBEING OF CANCER PATIENTS**

OncoHealth helps health plans, employers, providers, and patients navigate the financial, physical, and mental complexities of cancer through technology-enabled services.

In 2022, OncoHealth unveiled Iris, a new digital telehealth service. Iris is designed to drive excellent clinical outcomes, enhance the member experience, and provide personalized supportive care to improve the quality of life for patients who are facing cancer. The service enables patients and their caregivers to connect with a team of dedicated

U.S.-based oncology experts easily and securely via chat, phone, or video. This includes connecting with oncology nurses, social workers, psychologists, physician assistants, peer mentors, and medical doctors, where and when they want.

OncoHealth's Iris service aims to positively impact the patient's experience, improve care, and reduce costs, all while working in close collaboration with the patient's primary oncologist and care team.





## CellCarta

**SECTOR:**  
HEALTHCARE

**INVESTMENT YEAR:**  
2019

**STATUS:**  
CURRENT

**FOCUS AREA:**  
PHARMA SERVICES

### BUILDING A MORE RESILIENT COMPANY THROUGH ROBUST DATA PRIVACY AND SECURITY PROCESSES

As a provider of specialized research laboratory services for precision medicine to the biopharmaceutical industry, CellCarta handles a range of sensitive patient information making data privacy a key ESG focus area for the company.

To safeguard its information systems, CellCarta implemented several key initiatives: the company hired a global IT security manager, introduced regular IT security and penetration testing and rolled out quarterly data security awareness training across its sites. CellCarta

also implemented a security policy that is compliant with the National Institute of Standards and Technology (NIST) framework and the General Data Protection Regulation (GDPR). Finally, CellCarta obtained the ISO 27001 Information Security Management certification for its key locations.





**SECTOR:**  
HEALTHCARE

**INVESTMENT YEAR:**  
2019

**STATUS:**  
CURRENT

**FOCUS AREA:**  
BUSINESS SERVICES TO  
PROVIDERS AND PAYERS

## PROMOTING EMPLOYEE ENGAGEMENT AND RETENTION

Accumen provides performance optimization solutions to clinical laboratories and imaging departments, primarily within the U.S. hospital systems. To foster ongoing employee engagement and retention, Accumen created a culture advocacy board. The board has representation from team members across its business with the goal of facilitating engagement strategies, promoting positive attributes of the company's culture, and suggesting and implementing changes for improvement.



Quarterly employee engagement surveys constitute a key component of Accumen's engagement strategy, as they provide insights into areas where the company is doing well and opportunities for improvement. To ensure that employees know that their feedback matters, Accumen summarizes key improvement areas from the employee surveys and outlines tangible ways in which the company is looking to address them. As part of the survey, employees are requested to provide a satisfaction score on a one-to-five-point scale. In 2022, Accumen attained an average four-point satisfaction score.

In 2022, Accumen also launched a 12-week pilot mentorship program to promote cross-functional learning and upward mobility throughout the organization. The company is aiming to expand the program over time to be available to many more employees irrespective of seniority at the firm.



**ARSENAL**  
**GIVES BACK**



# PHILANTHROPY AND VOLUNTEERISM

**SINCE INCEPTION**, Arsenal's purpose has been to positively impact and benefit all constituencies and to do business the right way. This aspiration translates into our support of philanthropic organizations whose values align with our values and purpose.

In 2022, Arsenal's philanthropic efforts reached more than 100 organizations with missions linked to medicine, research, education, and food security, to name a few. The firm matched approximately \$100,000 in employee donations. In addition, many Arsenal employees are engaged with non-profit organizations, with many taking on leadership roles. In 2022, 15 Arsenal employees served on the boards of non-profit organizations.

## 100+

non-profit organizations received donations from Arsenal's employees

## \$100k

in collective donations

## 15

Arsenal employees serve on non-profit boards

## KEY ORGANIZATIONS WE SUPPORT



Red Door Community's mission is to create a welcoming community of free cancer support to bring knowledge, hope, and empowerment to anyone and everyone impacted by cancer and their families. John DiGiovanni, an Investment Partner in our healthcare team, serves as the Chair of the board.



Citymeals delivers nutritious meals to nearly 20,000 homebound older New Yorkers across all five boroughs. On weekends and holidays—when there is no government funding—and during emergencies, their meals are nourishing the city's most vulnerable population.



No Kid Hungry is a national campaign run by Share Our Strength, a nonprofit working to solve problems of hunger and poverty in the United States and around the world.

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This Report covers the time period beginning on January 1, 2022, and ending on December 31, 2022, unless otherwise indicated.

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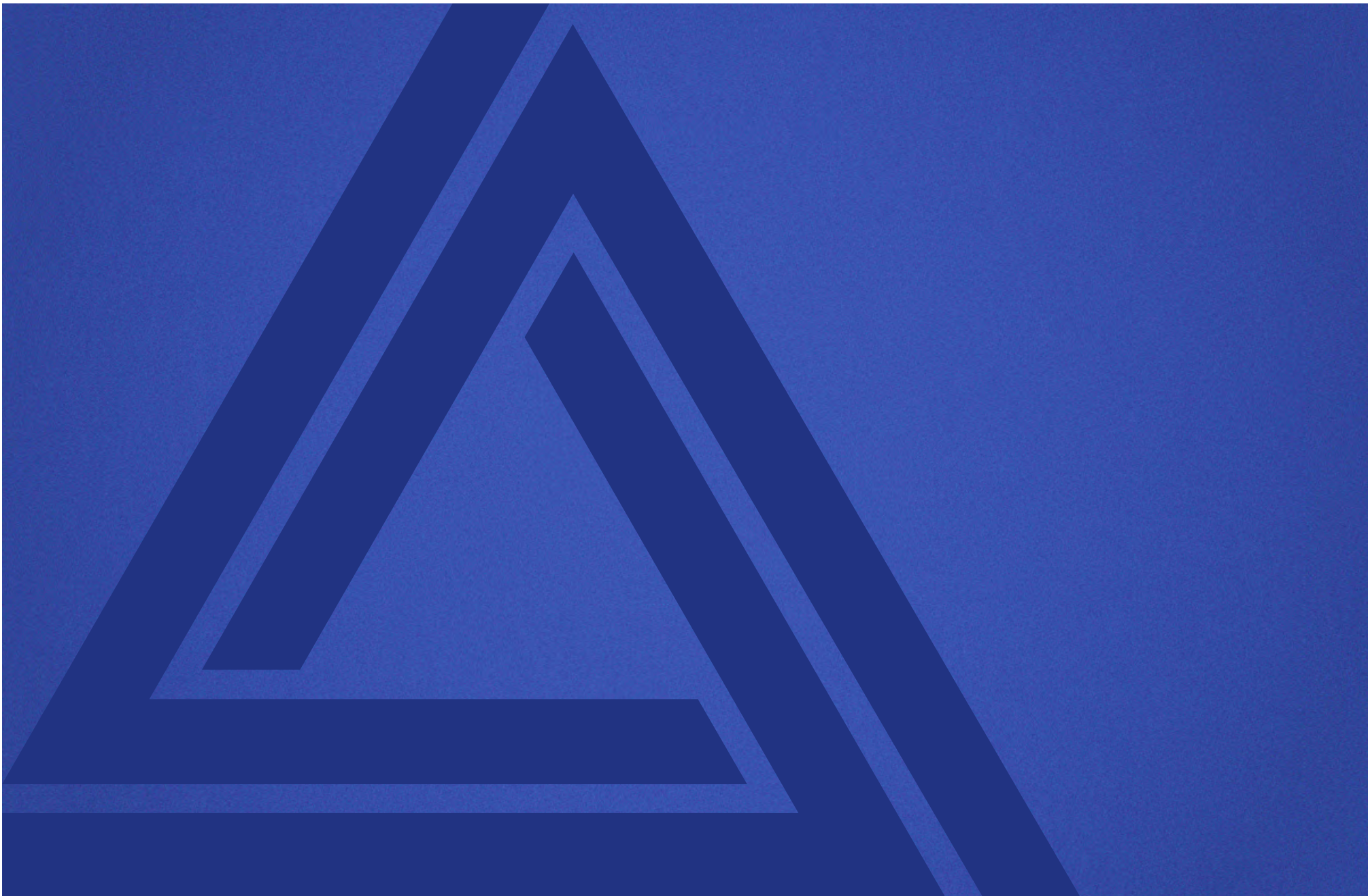
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