

An aerial photograph of a building with a large array of solar panels on its roof. The building is situated next to a dense forest of green trees. The image is partially obscured by several semi-transparent white rectangular overlays in the top left corner.

# 2021 Annual Impact Report

SEPTEMBER 2022

 **CATTERTON**

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# CEO Statement



**J. Michael Chu**  
Global Co-CEO



**Scott Dahnke**  
Global Co-CEO

## **SINCE THE FOUNDING OF L CATTERTON IN 1989,**

we have considered environmental, social, and governance factors as part of our operations and investment decisions. Our steadfast mission is to create success; as investors, this means delivering outsized returns and creating value in the businesses with whom we partner. Intrinsic to that success is, in the words of poet and naturalist Ralph Waldo Emerson, our ambition “to leave the world a bit better.” We possess both the privilege and the responsibility to cause positive change in the world. And while poetry may capture the essence of our intent, the hard work of progress is best told in prose.

In this second annual impact report, we highlight the ways in which we protect and drive value in our pursuit of success.

Select highlights of L Catterton’s recent ESG efforts include:

- Continued integration of ESG considerations into our investment approach across our global investment platforms through rigorous diligence and thoughtful analyses.
- Supported ESG integration throughout the investment lifecycle by administering ESG surveys to all portfolio companies.<sup>1</sup>

- Further integrated ESG into our Real Estate strategy, conducting ESG reviews on six properties with the belief that our real estate portfolio is well-positioned to drive positive ESG outcomes.<sup>2</sup>
- Finalized our plans to launch our inaugural L Catterton Impact Fund and welcomed co-head Michael O’Leary.
- Deepened engagement with our ESG advisor, Malk Partners (Malk), launching 14 annual monitoring reviews, including all Latin America fund investments completed in 2019 or later and all Flagship Buyout fund investments completed in 2020 or later.<sup>3</sup> All Europe Fund V and Flagship Buyout Fund X investments will also participate in annual monitoring reviews.
- Established partnerships with Ownership Works, Persefoni, and Tablecloth to broaden the scope of our ESG work.
- Continued to engage our carbon offset partner, Bluesource, offsetting over 13,000 tonnes of CO<sub>2</sub>e to support meaningful initiatives, including Paradigm Cookstoves, Alleghany Urban Forestry, and Shaan Seelt Forestry.<sup>4</sup>

- Selected female candidates for approximately 50% of all new hires and appointed 17 (of 21) diverse independent Board of Directors on L Catterton boards, reinforcing our commitment to diversity.<sup>5</sup>
- Achieved 2021 Great Place to Work® (GPTW) certification, demonstrating our deep and ongoing commitment to our culture and fostering the best possible working environment at L Catterton.<sup>6</sup>
- Partnered with local charitable organizations across our global offices, including Feeding Westchester, Filling in the Blanks, Meals & More, Henry Street Settlement, and Kids in Crisis to support and empower local communities.
- Recently joined the Data Convergence Initiative to support the effort to drive transparency and uniformity in disclosures.

Through these efforts and others, L Catterton strives to uphold its promise to “collectively pursue excellence — guided by respect, collaboration, humility, and candor; fueled by boundless curiosity; and leavened by humor — with a courageous spirit and a creative intellect.” This credo reflects our aspirations to effect positive change in all our endeavors. It informs our efforts to not only be a participant in this space, but also to be a leader.

**To leave the world a bit better,  
whether by a healthy child, a garden  
patch, or a redeemed social condition;  
to know that even one life has breathed  
easier because you have lived —  
that is to have succeeded.**

—RALPH WALDO EMERSON

While we humbly take pride in our achievements to date, we remain acutely focused on the challenges ahead. Our obligation as both investors and as global citizens demands this dedication. We remain grateful for your support and shared commitment as we continue to navigate toward positive and impactful outcomes. May we one day reflect on our fulsome efforts and their measurable results and know indeed that “this is to have succeeded.”



**J. Michael Chu**  
Global Co-CEO



**Scott Dahnke**  
Global Co-CEO

1 All portfolio companies were surveyed, though not all portfolio companies provided responses. Responses provided as of 12/31/21.  
 2 Real Estate reviews completed as of 5/10/22.  
 3 Monitoring reviews launched and/or completed as of 6/8/22.  
 4 Offset program covered 21 participating companies from 11/20 to 10/21.  
 5 Data reflects all full-time hires and Board of Director appointments over the 12-month period ending 4/30/22.  
 6 Certification active from 9/21 to 9/22.

NotCo, an investment in our Latin America fund, leverages artificial intelligence to develop plant-based products. See [page 22](#) for a feature on L Catterton's recent investments in alternative protein and plant-based food companies.



# Our ESG Approach



# Development and Progression of Our ESG Program

## SELECT HIGHLIGHTS

### 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 (AIC Guidelines)

### 2019

- Signed UN PRI
- Achieved LEED Platinum certification at global headquarters in Greenwich, CT
- Formally engaged Malk for ESG diligence and annual monitoring
- As founding signatories, Scott Dahnke and Michael Chu helped to launch ILPA's Diversity in Action initiative
- Expanded our long-standing Women's Initiative Committee into a global Diversity & Inclusion (D&I) Committee

### 2021

- Wrote letter in support of NASDAQ diversity rule
- Published inaugural annual impact report<sup>1</sup>
- Added 17 women and under-represented minorities to portfolio boards<sup>2</sup>
- Conducted ESG training for 100% of workforce<sup>3</sup>
- Expanded ESG Committee with recent additions including, Michael O'Leary, Partner and co-lead of L Catterton's Impact Fund; Annie Kyprianou, Global Chief Financial Officer; Derex Walker, Chief Risk Officer; and Julie Hamilton, Managing Director of Firm Communications

### 2017

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

### 2020

- Administered first annual ESG surveys to all portfolio companies
- Launched FedEx carbon footprint initiative
- Featured in *Private Equity International's* "30 Big Ideas Shaping ESG: Due Diligence"
- Became a founding member of the Women on Boards Project
- Became a sponsor of Level 20
- Launched partnership with Him for Her to expand L Catterton's network of diverse executives

### 2022

- Launched PRISM, our proprietary initiative to support executive and board-level diversity, with particular a focus on female leaders
- Engaged Persefoni to support the Firm's climate program
- Joined the Data Convergence Initiative
- Completed ESG annual monitoring engagements for 12 portfolio companies with Malk Partners<sup>4</sup>
- 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

<sup>1</sup> All portfolio companies were surveyed, though not all portfolio companies provided responses. Responses were provided as of 12/31/2021.

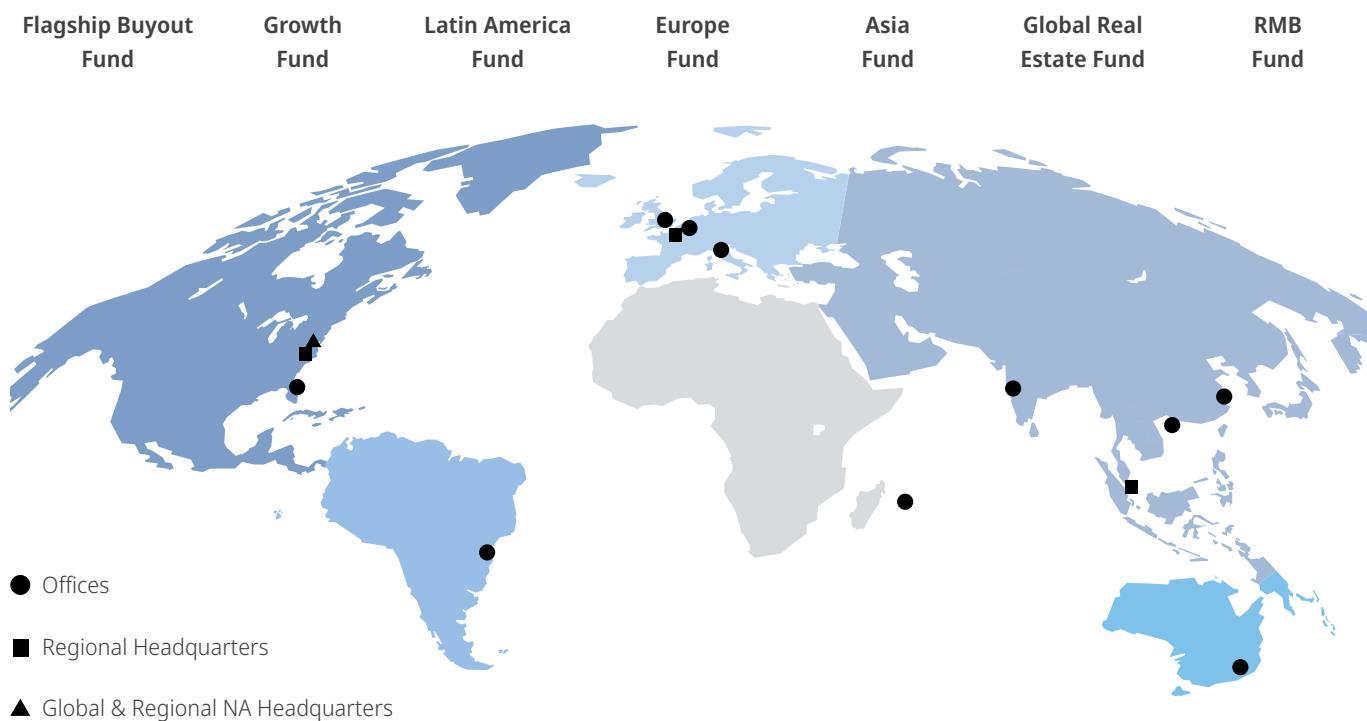
<sup>2</sup> Information was provided 4/30/22.

<sup>3</sup> Training offered to all full-time employees as of 2/28/21.

<sup>4</sup> Monitoring reviews launched and/or completed as of 6/8/2022.

# Global Approach to ESG

Our ESG approach is consistent across our Firm's global platform: we cover over 90% of global GDP with seven strategies across 17 offices on five continents.<sup>1</sup>



An increasing number of the thematic trends in which we invest are synonymous with prominent ESG issues.

ENVIRONMENTAL				SOCIAL			GOVERNANCE		
Transparency	Sustainability	Blurring of Meals	Outsourced Homemaking	Access over Assets	Imperceptible Commerce	Bifurcation of Value & Luxury	Curatorial	FOMO	Screen Reaction
Clean Labels	Humanization of Pets	Third Spaces	Extended Courtship	Experiential Retail	Experiences Over Things	Sharing Economy	Influencer-Led Brands	Personalization	Mindfulness
Coping & Soothing	At-Home Luxury	Urban Adulthood	Multi-Gen Households	Better for Baby	By Women, for Women	Gender Fluidity	Cross-Border Brands	Provenance	Active Living
	Social Fitness	Consumerized Healthcare	Aging in Place	New Masculinity	Body Positivity	Wokeness	National Reactionism	Regional Cuisines	

<sup>1</sup> Source: World Economic Outlook Database International Monetary Fund Reflects 2020 estimates as of October 13, 2020.

GLOBAL APPROACH TO ESG

# Commitment to Transparency and Building Internal Capacity



Our goal is to deliver this report annually.



We are excited to participate in the ESG Data Convergence Initiative to drive transparency and uniformity in disclosures.



Since becoming a signatory to the UN PRI in 2019, we complete and provide an annual transparency report on key ESG issues.



We maintain a cross-functional Global ESG Committee consisting of representative members of the various regions, departments, and strategies of L Catterton who meet quarterly to drive our global ESG strategy.



We conduct firm-wide ESG training annually to increase awareness of and adherence to our ESG policy and procedures.



## United Nations Sustainable Development Goals (SDGs)

We're committed to ensuring our investments can help enable progress against the challenges facing our planet.





# Overview of ESG Integration in Our Investment Process

We consider ESG factors throughout all stages of our investment process.

## ● UNDERWRITING

### ● Sourcing

- Leverage “Vertical Process” in sourcing activities — a systematic approach based on research and consumer insights to identify our investment trends.
- Integrate ESG principles into the underwriting process to help inform decision-making and prioritization across prospective investments.

### ● Due Diligence

- Engage Malk Partners to conduct a bespoke ESG due diligence review for all investment opportunities that reach the confirmatory diligence phase.
- Include a materiality assessment to identify relevant ESG risks and opportunities based on each company’s geography, industry, and operational characteristics.

### ● Investment Committee

- Include key ESG findings from due diligence into Investment Committee materials.
- Incorporate ESG focus areas into a post-closing action plan.

## INVEST

## ● PORTFOLIO MANAGEMENT

### ● Plan Implementation

- Share ESG report with portfolio company management teams.
- Partner with portfolio companies to address and prioritize any ESG concerns identified during the initial due diligence process and to execute against areas of ESG opportunity.

### ● Monitoring and Reporting

- Perform in-depth ESG monitoring on all investments in our most recent Latin America, Flagship Buyout, and Europe funds.
- Share ESG updates with L Catterton Limited Partners.

## EXIT

## ESG Diligence by the Numbers

26

diligence reviews conducted in partnership with Malk Partners in 2021<sup>1</sup>

12

portfolio companies launched annual ESG monitoring reviews in 2021<sup>2</sup>

95

portfolio companies responded to L Catterton’s annual ESG survey<sup>3</sup>

1 Reflects ESG diligence reports delivered between 1/1/2021 and 12/31/2021; excludes due diligence reviews completed on investments that did not ultimately close.

2 Monitoring reviews launched and/or completed as of 6/8/2022.

3 Calculation reflects the number of surveyed companies that completed at least one survey field, as of 4/14/2022.

# Creating Value Through ESG

We are committed to supporting ESG integration across the investment lifecycle, recognizing the benefits that ESG can create across risk mitigation and value creation for our portfolio companies.

	ENVIRONMENTAL	SOCIAL	GOVERNANCE
RISK MANAGEMENT	Sound environmental management systems integrated into the production of consumer products ensure continued regulatory compliance and minimize the risk of spills and other contamination concerns, preventing regulatory fines and public scrutiny.	Robust labor compliance programs reduce risk of concerns such as discrimination and harassment or wage and hour noncompliance for retail or hourly employees who may face increased exposure to such risk in their day-to-day duties.	Programs that encourage ethical conduct across all stakeholders, including employees, business partners, and suppliers, allow companies to mitigate the risk of misconduct and associated regulatory penalties, as well as potential reputational scrutiny among their consumers.
VALUE CREATION	Strong corporate sustainability programs for consumer goods may help companies save costs related to resource use and meet the preferences and desires of their customer bases.	Proactive initiatives to promote employee engagement and development and encourage diversity, equity, and inclusion best practices to increase employee satisfaction and retention, foster creative thinking, and help ensure that consumer goods businesses reflect the customers they serve.	Leading corporate governance structures across areas such as business ethics and anti-bribery can serve as competitive differentiators, allowing businesses to better align themselves with consumer values.

**PORTFOLIO COMPANY EXAMPLES**

**8 THE THALASSO**

*CiFlavors* (LCA III) is a leading independent multi-brand haircare/skincare company. In response to consumer demand for sustainable products, *CiFlavors*'s brands have started to assess potential for sustainable packaging. The *8 THE THALASSO* brand uses sugarcane-based packaging, avoiding the environmental footprint of conventional packaging.

**third love**

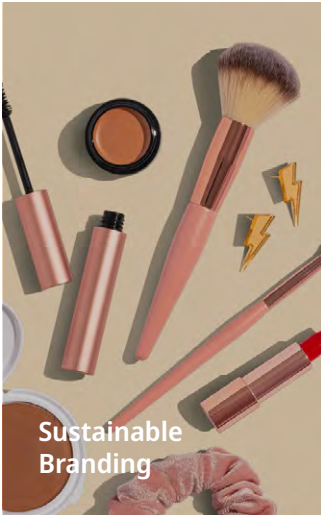
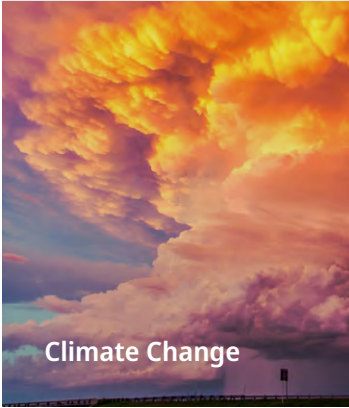
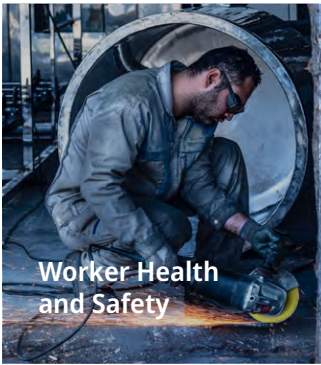
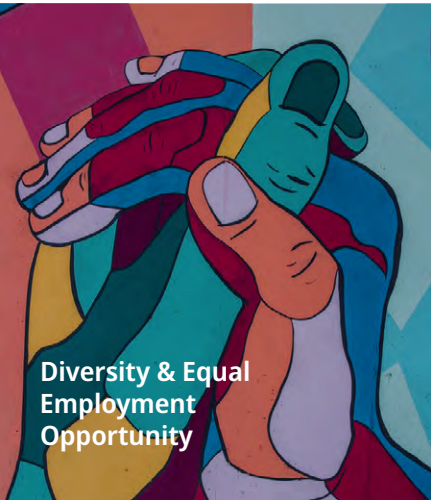
*ThirdLove* (LCG III) is a digitally-native intimates brand. In 2020, the Company kicked off "TL Effect," its in-house mentorship program geared toward women-of-color entrepreneurs looking to take their early-stage, consumer-focused start-ups to the next level. Refer to pg. 35 for more detail on this program.

**VALOREO**

*Valoreo* (LCLA III), a brand aggregator, maintains a robust investment-diligence process across areas like legal and regulatory matters, allowing it to ensure brands uphold high standards for business ethics prior to acquisition.

# Prominent ESG Areas of Focus for the L Catterton Portfolio

We continue to evolve our program to increasingly integrate ESG best practices into how we invest in and partner with our companies.



# Real Estate Fund Spotlight

The L Catterton Real Estate team has a longstanding history of incorporating ESG principles into its projects. Our Real Estate strategy recently performed a detailed assessment of its ESG approach and revamped and formalized its bespoke program in partnership with Malk. As a result of these efforts, all projects are not only subject to a dedicated ESG review, but will also follow a customized “ESG Plan” with real estate-specific goals established for each of the design, construction, and property management phases, as well as key performance metrics developed to monitor progress against these goals.



Miami Design District, L Catterton Real Estate investment

<b>Common ESG areas of focus relevant to our Real Estate investments include:</b>	Indoor Environmental Quality	Environmental Stewardship	Climate Risks	Resource Efficiency, including Embodied Carbon	Expanded Public Services
	Traffic Congestion	Promotion of Arts and Culture	Good Governance	Local Job Creation and Small Business Stimulations	Oversight of Labor Practices
	Community Engagement	Tenant Satisfaction	Displacement of Local Businesses and Vulnerable Populations		

## REAL ESTATE FUND SPOTLIGHT

Throughout the lifecycle of our Real Estate investments, we monitor the goals set forth in each ESG Plan to ensure appropriate implementation and adherence.

### Pre-Investment

#### 1. SOURCING

- During the sourcing process, deal teams screen for red flags, including the potential for significant negative impacts on the local environment or community.

#### 2. DUE DILIGENCE

- During investment diligence, material ESG risks related to any specific development project are assessed, and joint venture partners are vetted.
- Project-specific ESG Plans are developed alongside investment theses.



### Post-Investment

#### 1. DESIGN

#### 2. CONSTRUCTION

#### 3. MANAGEMENT

At the onset of each project phase, material ESG risks and opportunities are identified based on a variety of factors, including planned operations, geographic footprint, and local community. ESG goals are then established to mitigate risks and capitalize on opportunities. Throughout the lifecycle of the project, these goals are monitored on a continuous basis to ensure appropriate implementation and adherence.

#### Example ESG Goals:

- Incorporating the inclusion of public green space or neighborhood improvements.
- Incorporating resource efficiency and green building materials.
- Increasing use of minority- or local-owned contractors.
- Ensuring strong safety performance on site.
- Prioritizing proper waste management practices.

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# L Catterton Impact Fund

At L Catterton, we have focused on scaling great consumer companies for nearly 33 years. As category-first investors above all else, we have seen how themes of sustainability and impact have increasingly gained consumer traction. Our portfolio reflects this shift, with investments in brands like *The Honest Company*, *Public Goods*, *Boll & Branch*, *NotCo*, *Plum Organics*, and many others.

We are excited to announce the upcoming launch of our new impact investing strategy, *L Catterton Impact*. The *L Catterton Impact Fund* will harness the strength of our platform to build the next generation of sustainable and impact-driven consumer companies while seeking to deliver outsized returns and significant positive social and environmental impact. This strategy will become a new center of excellence within the Firm for sustainability and impact.

Michael O'Leary, our newest *L Catterton Partner*, will be co-leading our efforts to design and launch the new strategy. He brings years of experience in the ever-growing world of impact investing. Prior to joining the Firm, Michael was a Managing Director at the impact investment firm Engine No. 1. He was previously on the founding team of Bain Capital Double Impact and an investor in Bain Capital's flagship buyout fund, where he focused on the consumer and tech verticals.

He is also the co-author, with Warren Valdmanis, of *Accountable: The Rise of Citizen Capitalism* (HarperCollins 2020), which profiles the promise and challenges of the sustainable investing movement. He and his writing about impact investing have been featured by the *Financial Times*, the *Harvard Business Review*, *The New York Times*, and *The Stanford Social Innovation Review*, among others. We are thrilled to welcome Michael to the *L Catterton* team.

*L Catterton Impact* invests to scale the next generation of impact-driven consumer businesses to make our economy cleaner, healthier, and more equitable. Building on the Firm's clear advantages in consumer investing and deep history with leading sustainable brands, the Fund seeks to deliver competitive financial returns and significant, positive social and environmental impact against the economy's most important challenges.



# Impact Fund Q&A with Michael O'Leary

Partner, L Catterton Impact Fund

## Where is the impact investing field today?

Given all the current enthusiasm around impact investing, it's remarkable to remember that the term was only coined in 2007. Impact investing refers to investing with the goal of generating measurable positive social and environmental impact alongside returns. For impact investors, impact is not accidental — it's an explicit goal.

Impact investors have now amassed over \$700 billion in assets as they invest to take on climate change, sustainability, health and education disparities, financial inclusion, and expanding economic opportunity. In many ways, we have watched the field grow up over the last 15 years, and it's now hitting maturity.

For years, L Catterton has been investing behind themes that animate the impact investing world: sustainability, health and wellness, cleaner ingredients, and increased access. I see impact investing as such a natural evolution of the Firm because we're already so deep in the consumer trends that determine when and where a company's impact drives its economics.

## What has driven the growth in impact investing?

As with so much in our economy, impact investing is ultimately a consumer story. It's about what consumers are looking to buy, what they're willing to pay for, and how they compare products and brands. The entire sustainable investment movement would collapse if there weren't consumers at the end of every value chain placing value on sustainability and impact. L Catterton has always put huge focus on understanding those consumers and how their behavior is changing.

Importantly, those consumers are not just consumers — they're also employees, entrepreneurs, investors, donors, and voters. So it shouldn't be surprising that consumer behavior is changing at the same time as the behavior of all these other stakeholder groups. The same Millennials who are interested in buying

sustainable products are also looking to work for sustainable brands and invest in sustainable companies. This all pushes us toward tipping points in new categories like electric vehicles or alternative proteins.

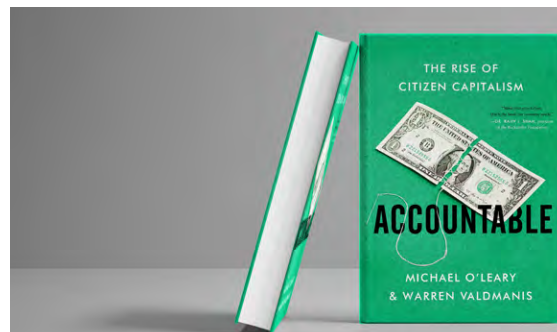
## How is impact investing evolving?

There are some areas where we've already made a lot of progress. For example, we're now coalescing around certain impact definitions, frameworks, and metrics that just did not exist a decade ago. But I think the most important evolution is in what value impact investors can bring to the companies they invest in.

L Catterton is a good example of what this can look like: throughout its history, the Firm has invested significant resources in partnering with founders and managers to accelerate a company's growth, providing critical operating value-add to help companies scale and expand.

The best impact investors will be those that build a distinctive edge that allows them to deliver this sort of value to their companies — on both traditional business concerns like team, marketing, or supply chains, as well as impact concerns like sustainability, diversity, and access. Often, those traditional and impact concerns will coincide.

I think we'll also see more sector- and theme-focused funds. Just as traditional private equity has evolved to reward specialization, we'll see impact investors work harder to separate themselves from other impact funds and traditional competitors.



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# ESG Partnerships

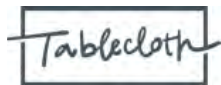
During the past year, we continued to expand the scope of our partnership with our ESG advisor, Malk Partners, and engaged in new partnerships to increase our ESG capacity.



Our partners at Malk continued to conduct rigorous ESG diligence of L Catterton investments across all six global platforms, with an increased focus on ESG integration in the Real Estate Fund. They kicked off 12 ESG monitoring reviews to assess portfolio company ESG performance in 2021 and also engaged with our management teams throughout the year to help navigate ESG opportunities and challenges such as those outlined in the case studies throughout this report. Malk also provided ESG training for all members of the L Catterton team and continues to offer ad hoc support on ESG topics and strategies at the General Partner level.



We continued to establish internal accountability for our carbon footprint and set the foundation for effective emission reduction initiatives through our partnership with Persefoni, a leading carbon management SaaS platform. See [page 20](#) for more information on this partnership.



We kicked off our partnership with Tablecloth, an ESG and impact analytics technology platform and services firm, to support our Firm- and portfolio-wide efforts to collect, measure, and improve ESG performance.



We became a founding member of Ownership Works, a new nonprofit organization that aims to increase employee prosperity through shared ownership structure by providing access to wealth creation. Ownership Works will develop and support programs that aim to generate \$20 billion of wealth for diverse and lower-income employees over the next 10 years. See [page 34](#) for more information on this partnership.



We implemented climate initiatives with the continuation of our FedEx and UPS small-parcel shipping offset program for our North American portfolio companies. With Bluesource, our carbon offset partner, a total of 13,589 tonnes of CO<sub>2</sub>e was offset, covering 21 participating companies between November 2020 and October 2021. See [page 18](#) for more information on this partnership.



We joined the ESG Data Convergence Initiative and we are excited to partner with GPs and LPs to align on a standardized set of ESG metrics and mechanisms for comparative reporting.





Photo from McCloud River, CA, the location of one of the U.S. initiatives covered by our carbon footprint offset program discussed on [page 14](#).

# Environmental

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# Our Concern for the Environment & Sustainability

We continued to practice our commitment to the environment across our portfolio companies, working closely with our management teams to set and make progress against sustainability goals.

## CARBON OFFSETTING PROGRAM

13,589

tonnes of CO<sub>2</sub>e offset

\$150,000

worth of carbon offsets purchased

21

participating companies between November 2020 and October 2021

In 2020, we launched a program to offset emissions from FedEx and UPS small parcel shipping for our North American portfolio companies. Over the past year, with Bluesource, our carbon offset partner, a total of 13,589 tonnes of CO<sub>2</sub>e was offset, covering 21 participating companies between November 2020 and October 2021. We have continued to work with Bluesource to purchase \$150,000 worth of carbon offsets over 2021 across a mix of U.S. and international projects selected by our portfolio companies. We hope to continue to participate in this program biannually.



### Projects supported through our program include:

#### Paradigm Cookstoves

A project focused on leveraging carbon and microfinance to distribute efficient cooking technology in Kenya.

#### Alleghany Urban Forestry

A partnership between the local community and the Alleghany Land Trust to protect approximately 126 acres of urban woodlands in Pittsburgh from conversion into a subdivision of 150 homes.

#### Shaan Seelt Forestry

A project that protects 8,996 acres of land covering several different ecosystems, including 7,000 acres of old-growth forest, located on Prince of Wales Island in the Alaskan Panhandle.



We have also partnered with Persefoni to assess the greenhouse-gas emissions (GHG) of our portfolio companies. See [page 20](#) for more information.

# GP Initiatives

In addition to our work with portfolio companies, we have also achieved Firm-level sustainability milestones in our office spaces. In our 2020 annual impact report, we reported that our Greenwich, CT, global headquarters is one of only four commercial buildings in Connecticut to receive LEED Platinum certification (the highest level), based on factors like indoor environmental quality, water efficiency, materials and resources, and energy and atmosphere. This year, we are proud to announce that our London office has achieved Fitwel certification, the leading certification system for buildings that prioritize occupant health, with consideration of factors such as indoor air quality, outdoor spaces, and occupant safety. We also expect to achieve LEED Gold certification for our new office in New York City by 2023.



L Catterton's global headquarters in Greenwich, CT

## GREENWICH, CT

Global headquarters is LEED Platinum certified

## PARIS

Regional headquarters is LEED Gold certified

## SINGAPORE

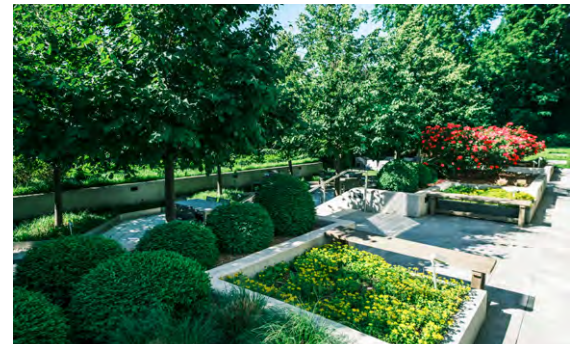
Regional headquarters is LEED Gold certified

## LONDON

Office is Fitwel certified

## NEW YORK CITY

Office is expected to be LEED Gold certified



# Persefoni Partnership



We recently launched a partnership with Persefoni, a leading carbon footprint management SaaS platform, to support our Firm's climate program. Our goal is to understand our carbon footprint, enhance reporting to stakeholders, and explore the potential to set targets for future performance.

Through a comprehensive approach, we will leverage the Greenhouse Gas Protocol — a global standardized framework to measure and manage emissions — to estimate Scope 1, 2, and 3 emissions across our 17 global offices.

We will also work with Persefoni to conduct a top-down assessment of carbon emissions across our global portfolio<sup>1</sup> using the Partnership for Carbon Accounting Financials (PCAF) framework, an industry-led initiative that allows financial institutions to consistently measure and disclose emissions.

Together, these assessments will inform our strategy to reduce our collective carbon footprint and support our ongoing commitment to the global climate crisis. We believe that advancing sustainability initiatives across our portfolio and operations enhances long-term value.

## Scope 1

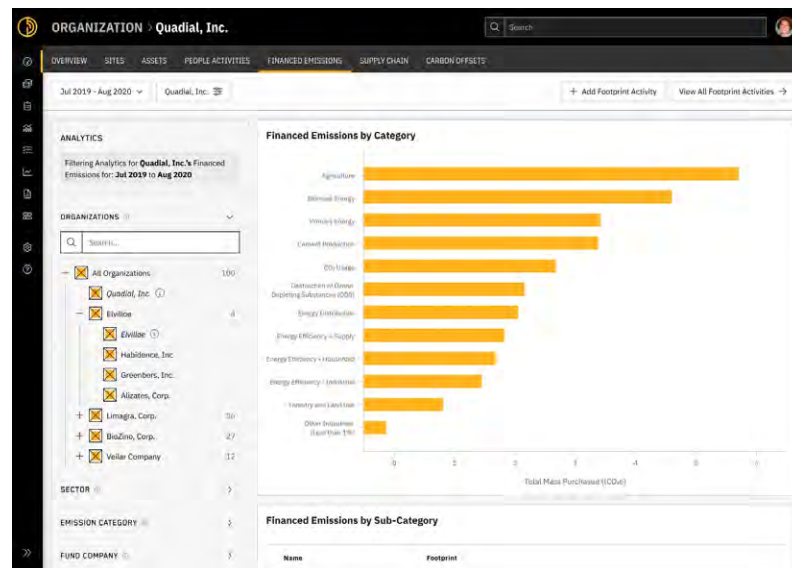
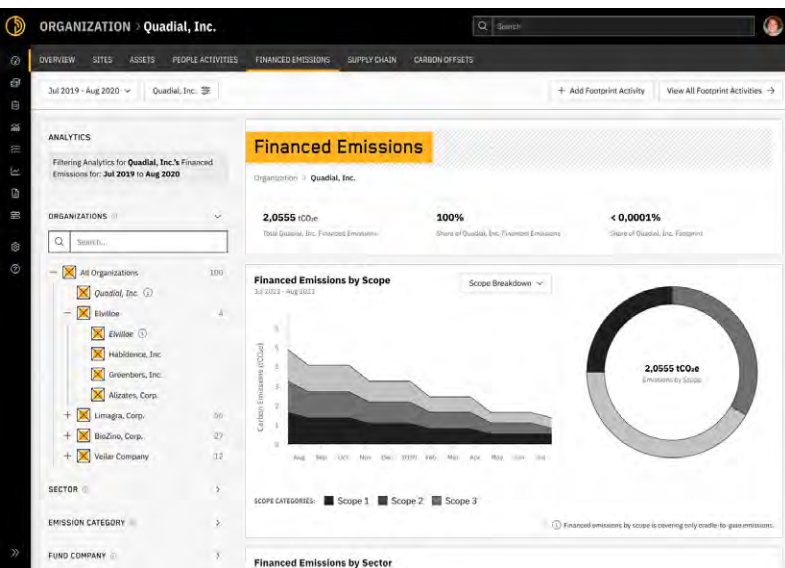
Direct emissions from owned and controlled sources, such as onsite combustion of fossil fuels.

## Scope 2

Indirect emissions from purchased electricity, steam, heating, and cooling.

## Scope 3

All other indirect emissions, including purchased goods and services, capital goods, people activity, and generated waste.



<sup>1</sup> Certain portfolio companies may be excluded from the top-down carbon footprint assessment due to investment-specific dynamics.

# Environmental Portfolio Examples



ALEPH FARMS

WILDTYPE planted.

22

Feature on Alternative Protein and Planted-Based Products

*Hanna Andersson*

25

Interview with Jen Reed, *Hanna Andersson*



27

sellerX

27

PUBLIC  
GOODS

28

*sociolla*

29






29

SOUTH BAY SOCIAL DISTRICT

30

# Alternative Protein and Plant-Based Products

Conventional animal-based food production is a major driver of climate change and environmental degradation, accounting for nearly 15% of annual global greenhouse gas emissions. For example, beef production requires 15,000 liters of water per kilogram of edible product, and 20% of meat products are wasted at the point of consumption. Animal-based food production is also a primary driver of deforestation, contributing to biodiversity loss and stored carbon release into the atmosphere.

POSITIVE IMPACT GOALS	SDG ALIGNMENT	SDG TARGET ALIGNMENT
Reduce, Reuse, and Recycle and Adopt a Circular Economy Model		8.4: Improve global resource efficiency in consumption and production to decouple economic growth from environmental degradation.
		12.2: By 2030, achieve the sustainable management and efficient use of natural resources. 12.3: By 2030, halve per-capita global food waste at retail and consumer levels and reduce food losses along production and supply chains. 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse. 12.6: Encourage companies to adopt sustainable practices and integrate sustainability information into reporting.
		13.3: Improve education, awareness, and human and institutional capacity for climate change mitigation, adaptation, impact resolution, and early warning.
Carbon Neutrality		13.3: Improve education, awareness, and human and institutional capacity for climate change mitigation, adaptation, impact resolution, and early warning.
Enhance Biodiversity		15.1: By 2020, ensure the conservation, restoration, and sustainable use of terrestrial and freshwater ecosystems.

Four companies in L Catterton's portfolio — **NotCo**, **Aleph Farms**, **Wildtype**, and **Planted** — are attempting to address these challenges with innovative products that offer a more sustainable alternative to conventionally farmed animal products.





**YEAR OF INVESTMENT**

2020

**INVESTMENT STATUS**

Current

**STRATEGY**

Latin America

NotCo, founded in 2015 in Santiago, Chile, is a leading food-tech company that leverages artificial intelligence to accurately develop superior plant-based products that mimic conventional animal-based products, yet are radically more environmentally sustainable. Specifically, NotCo has found that production of its NotMilk product uses 74% less energy and 92% less water and generates 74% less CO<sub>2</sub> than conventional milk; its NotBurger product demonstrates similar benefits across reductions in energy consumption, water use, and GHG emissions. More recently, NotCo has announced a joint venture with Kraft Heinz to use NotCo's first-of-its-kind AI solutions to develop and offer first-of-their-kind plant-based products to consumers, expanding the universe of plant-based alternatives available to consumers.



**YEAR OF INVESTMENT**

2021

**INVESTMENT STATUS**

Current

**STRATEGY**

Growth



Aleph Farms, founded in 2017, grows beef steaks from non-genetically engineered cells isolated from a living cow. Cell-cultured meat can be substantially more climate-friendly than conventional animal agriculture and the Company intends for its production process to be carbon neutral by 2025 and its supply chain to be carbon neutral by 2030 through:

1. Integrating energy-efficient and circular practices in its operations and supply chain,
2. Sourcing and generating renewable energy, and
3. Offsetting and insetting emissions through investments in decarbonization.

Switching to cell-cultured meat would reduce water consumption by 82% – 96%, depending on the animal. Aleph Farms has engaged a third party to conduct an analysis of its water use to benchmark water consumption against conventional meat production processes. Cell-cultured meat is also likely to have a longer shelf life than traditional meat-products, allowing for decreased food waste. Aleph Farms predicts that its products could remain safe to eat for at least several weeks. Finally, Aleph Farms is targeting markets for initial commercialization that are large beef consumers (e.g., U.S., China, Brazil, Europe), which will meet growing demand for meat products and maximize the environmental benefits of substituting traditional meat for cell-cultured meat.

# WILDTYPE

## YEAR OF INVESTMENT

2022

## INVESTMENT STATUS

Current

## STRATEGY

Growth

*Wildtype*, founded in 2022, is a San Francisco-based company using cellular agriculture technology to grow cultivated seafood. *Wildtype's* cultivated salmon product aims to promote ecological sustainability by meeting growing demand for seafood products without placing further strain on wild fish populations. The Company will also limit the environmental impacts of trawling and aquaculture, such as release of carbon sequestered in ocean floors, chemical and nutrient pollution, diseases and parasites, and loss of biodiversity.



# planted.

## YEAR OF INVESTMENT

2022

## INVESTMENT STATUS

Current

## STRATEGY

Growth



*Planted* leverages innovations in biostructure-based solutions to develop plant-based alternatives to chicken and pork products such as schnitzel. Through a lifecycle assessment conducted with Eaternity, *Planted* found that its products emitted between 74% and 85% less CO<sub>2</sub>e and used between 29% and 63% less water than their animal-based alternatives. *Planted* recently published its first sustainability report, applied to become a certified B-corp ([see page 45](#)), and leverages 100% hydropower electricity to power its Swiss operations.

Conventional animal-based food production is a major driver of climate change and environmental degradation, accounting for:

# 15%

of annual global greenhouse gas emissions

# 15K

liters of water per kilogram of edible product

# 20%

of meat products wasted at the point of consumption



Founded in 1983, *Hanna Andersson* is a leading premium brand of children's apparel. In recognition of the environmental challenges in the textile industry, including the heavy use of water, energy, and other resources, *Hanna Andersson* has built robust supply-chain initiatives to minimize its environmental impact and offer consumers sustainable, high-quality choices for children's clothing. *L Catterton* recently met with Jen Reed, *Hanna Andersson's* Chief Sustainability Officer, to hear more about the Company's approach to sustainability.

# An Interview with Jen Reed, SVP Global Sourcing/Chief Sustainability Officer

## Describe the drivers behind developing and implementing Hanna Andersson's product sustainability initiatives.

*Hanna Andersson* was launched almost 40 years ago with sustainability, corporate responsibility, and the desire to provide quality children's products that would last as core to our mission. Gun Denhart, our founder, could not find 100% durable cotton clothing and pajamas for her children in the early '80s. She looked to her Swedish heritage for inspiration and launched a catalog company out of her garage that served this need in the market. She was a pioneer of using organic cotton (initially called green cotton) for safety and the environment, as well as starting to use OEKO-TEX® almost 20 years ago to further protect



children from harmful chemicals. The durability, long-lasting bright colors, softness, and safety have been the key tenets of *Hanna* since its inception. *Hanna* has never wavered from these principles, and when we launch a new fabrication or silhouette, it goes through some of the strictest testing in the market. We continue to innovate in the space as well, having recently moved two key product lines to using recycled fibers (Outerwear and Swim). Although the fabric costs were higher, we knew that the customer would be pleased that we had moved to a more sustainable option.

**“We are bringing the Hanna customer on the sustainability journey with us, providing them resources to understand why these certifications and programs matter.”**

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## How do Hanna Andersson customers respond to the certifications and initiatives you have in place?

We continue to educate our customers on the environmental benefits of these types of changes, and we feel like we are bringing the *Hanna* customer on the sustainability journey with us, providing them resources to understand why these certifications and programs matter. For a younger generation of moms, the certifications our products have can really make a difference, as many of these consumers will find our brand through the “Global Organic Textile Standard” (GOTS) or OEKO-TEX websites.

## How does Hanna Andersson measure the impact of its initiatives?

We continue to message the durability of our products as well as the desire for our customers to hand down their garments. We will be able to benchmark and track metrics in the future since we joined the Textile Exchange and began using the Higg Index (a standard for assessing environmental and social practices in supply chains).

**“We are committed to continuous improvement on sustainability and have a few key initiatives in the works...”**

## Concepts of sustainability in the fashion and textiles industry seem to change weekly. How do you keep up with the best practices in sustainability?

We attend a lot conferences to hear about where the industry is going, and our suppliers bring new and exciting innovations to us. Beyond that, we do a lot of research internally and leverage our networks. The more groups we join and certifications we achieve, the more knowledge we gain through exposure.

## Looking ahead, what’s next on Hanna Andersson’s sustainability journey?

We are committed to continuous improvement on sustainability and have a few key initiatives in the works. Some ideas we are exploring that we are excited to share include:

- Exploration of potential for Global Recycle Standard (GRS) Certification
- Continued testing and exploration of recycled cotton, transitional cotton, and regenerative cotton, as well as other sustainable alternatives, such as recycled foodstuff, Tencel, and algae
- Continued exploration and testing of U.S. and Northern Hemisphere manufacturing (reducing carbon emissions)





**YEAR OF INVESTMENT**

2019

**INVESTMENT STATUS**

Current

**STRATEGY**

Flagship Buyout

*bartaco* serves small-concept upscale street tacos, specialty cocktails, and beer at 22 coastal-inspired restaurant locations across the U.S. At the industry level, restaurants generate emissions across Scope 1 (e.g., natural gas burned on cooktops), Scope 2 (e.g., electricity for refrigeration), and — most of all — Scope 3 (e.g., ingredient production and transportation and methane released from discarded food waste).

*bartaco* has taken proactive measures to calculate and manage its climate impact. Notably, *bartaco* engaged carbon consultancy GreenPlaces to conduct a full GHG-footprint assessment across all of its locations. Based on insights from the assessment, *bartaco* implemented sustainability initiatives to reduce its gross carbon footprint, including furnishing all locations with energy-efficient LED lighting and reclaimed wood and utilizing bamboo utensils, compostable bowls, and biodegradable chip bags. To complement these reductions initiatives, *bartaco* partnered with GreenPlaces to offset its remaining 11,000-metric tonne carbon footprint (the equivalent of 2,370 gas-powered

vehicles driven for one year). Specifically, *bartaco* achieved these offsets by funding a variety of green projects, such as tree planting, electrification, and sequestration initiatives. *bartaco* continues to work with GreenPlaces to identify future high-impact sustainability solutions and has committed to managing its climate impact on an ongoing basis. *bartaco's* innovative sustainability efforts can engage a key environmentally- and health-conscious customer base, who are more likely to be attentive to restaurant sustainability practices.



**YEAR OF INVESTMENT**

2021

**INVESTMENT STATUS**

Current

**STRATEGY**

Growth

Founded in 2020, *SellerX* acquires, aggregates, and grows third-party Amazon retailers. The Company partners with entrepreneurs who have built businesses selling on Amazon and helps them scale to reach their full potential. To do so, *SellerX* provides in-house expertise in operations, marketing, legal, and other functional areas.

Given its platform and influence on high-growth retail brands, *SellerX* is well-positioned to support leading sustainability practices across its portfolio. While e-commerce can be substantially more climate-friendly than conventional brick-and-mortar retail, e-commerce companies that utilize third-party shipping and transportation often have limited visibility into Scope 3 emissions resulting from product transit (often these emissions comprise the vast majority of their carbon footprints).

In addition to these challenges, *SellerX* relies almost exclusively on Amazon's fulfillment and, as such, its emissions are closely linked to Amazon's carbon efficiency. As a result, the Company has focused its climate initiatives on its Scope 3 emissions to drive meaningful positive impact. *SellerX* plans to onboard an e-commerce-specific carbon management solution, Vaayu, to help its retailers measure and reduce their Scope 3 emissions. By analyzing logistics, operations, and packaging data, Vaayu can measure the carbon emissions generated by each shipment of retail products. Vaayu will provide dependable data that will allow *SellerX* to understand its climate risk and remain accountable for meeting its reduction goals. By partnering with Vaayu, *SellerX* is taking the first step toward tracking its total carbon footprint. Going forward, it plans to focus on identifying areas of improvement in inbound logistics, last-mile delivery, and operations.

# PUBLIC GOODS

## YEAR OF INVESTMENT

2020

## INVESTMENT STATUS

Current

## STRATEGY

Growth

According to the U.S. Environmental Protection Agency (EPA), household cleaning products can present health hazards to humans, release volatile organic compounds affecting indoor air quality, and lead to toxicity in waterways. Similarly, plastic packaging used in many consumer products can result in significant environmental consequences — 98% of single-use plastic products are products from fossil fuels, polluting aquatic and terrestrial ecosystems and persisting in the environment for centuries.

Founded in 2015, *Public Goods* is a mission-driven company committed to addressing these challenges by delivering healthy, sustainable essential products. The Company upholds this commitment through a variety of sustainable product offerings, including:

- Tree-free paper towels made from fast-growing, non-GMO grasses (bamboo and sugarcane) that replenish rapidly.
- Refill versions of lotion and soaps that allow reuse of plastic bottles.
- Biodegradable and compostable fabric softener sheets, waste bags, dental floss, and other products, reducing the amount of waste sent to landfills.

- Packaging alternatives that replace traditional petroleum-based plastic with sugarcane-based bioplastics, avoiding the heavy emissions associated with the fossil fuel industry.
- Investment in zero-waste product packaging, where items such as bar soap, produce bags, sea sponges, and shampoo bars are 100% biodegradable, compostable, reusable, do not have packaging, or have packaging that is 100% easily recyclable.

*Public Goods* also aims to eliminate controversial substances, such as parabens, phthalates, and sulfates, in its products, avoiding associated impacts on human health and the environment. Since 2019, the Company has also partnered with Eden Reforestation Projects, a nonprofit organization that provides one tree for every new *Public Goods* order, helping restore forests, support impoverished communities, and fight climate change.

**“Public Goods is a mission-driven company that provides a broad assortment of sustainably sourced everyday essentials at affordable prices.”**



# sociolla

## YEAR OF INVESTMENT

2021

## INVESTMENT STATUS

Current

## STRATEGY

Asia

Founded in 2015, *Sociolla* has rapidly grown to become the leading specialty beauty omnichannel retailer in Indonesia, with high resonance with consumers, curated beauty and personal care brands, and a strong market positioning as one of the early pioneers in online specialty retail in the region.

*Sociolla* identified an opportunity to address climate change with sustainable packaging initiatives in response to changing consumer trends and in recognition of its operations in Southeast Asia, a region with high biodiversity. As a way to reduce waste associated with its products, *Sociolla* was the first major e-commerce company in Indonesia to commit to eliminating bubble wrap. With this initiative, it is estimated that the Company's plastic use will decrease by 250,000 square meters per year. To further combat its carbon footprint, *Sociolla* implemented a recycling initiative with one of its brand partners, Sukin. Customers can bring their empty products, regardless

of the brand, to recycling stations at Sociolla stores, and in exchange, *Sociolla* rewards customers with points that can go toward purchasing *Sociolla* products. Thus far, *Sociolla* has set up recycling stations in 42 stores in 23 cities, with 845kg of waste recycled in just two months, bypassing the Company's initial goal of 1,000kg of waste recycled by the end of 2021.



## Butternut Box

## YEAR OF INVESTMENT

2020

## INVESTMENT STATUS

Current

## STRATEGY

Europe

Founded in 2016, *Butternut Box* provides Direct-to-Consumer (DTC) pet food and wellness products. Given its DTC business model, *Butternut Box* is well-positioned to apply leading sustainability and carbon reduction processes in its operations and across its supply chain.

In 2021, *Butternut Box* moved operations to a purpose-built factory to allow for direct control over Scope 1 and 2 emissions. Further, *Butternut Box* has fully mapped its Scope 1 and 2 emissions, generating dependable data to better understand climate risk and set actionable reduction targets in the future. By the end of 2022, *Butternut Box* aims to fully map its entire carbon footprint in real time. At present, to limit Scope 3 emissions, *Butternut Box* partners with courier and delivery services that have committed to lessening their impact on the planet, either through carbon-neutral travel or carbon-emission reduction strategies. It is also part of a cycle-to-work scheme and offers multiple staff incentives to reduce emissions. In addition to these efforts, *Butternut Box* aims to source its core meal ingredients as locally as possible while considering availability and supplier ethics. The Company also maps lifecycle emissions of each meal — considering shipping, packaging, raw ingredients, and processing — in order to identify areas for improvement. *Butternut Box's* impact purpose, "to leave the world happier and healthier than we found it," is a reflection of the dedication and determination of the team and their love of dogs.



## SOUTH BAY SOCIAL DISTRICT

### YEAR OF INVESTMENT

2019

### INVESTMENT STATUS

Current

### STRATEGY

Real Estate

The *South Bay Social District (South Bay)* project is the redevelopment of an existing shopping center into an iconic, mixed-use destination in Redondo Beach, CA. The project features a number of retail, dining, entertainment, residential, and office facilities. To align with stakeholder values and in recognition of Southern California's broader exposure to climate risk such as drought, L Catterton identified the opportunity to leverage sustainability as a key focus of the project.

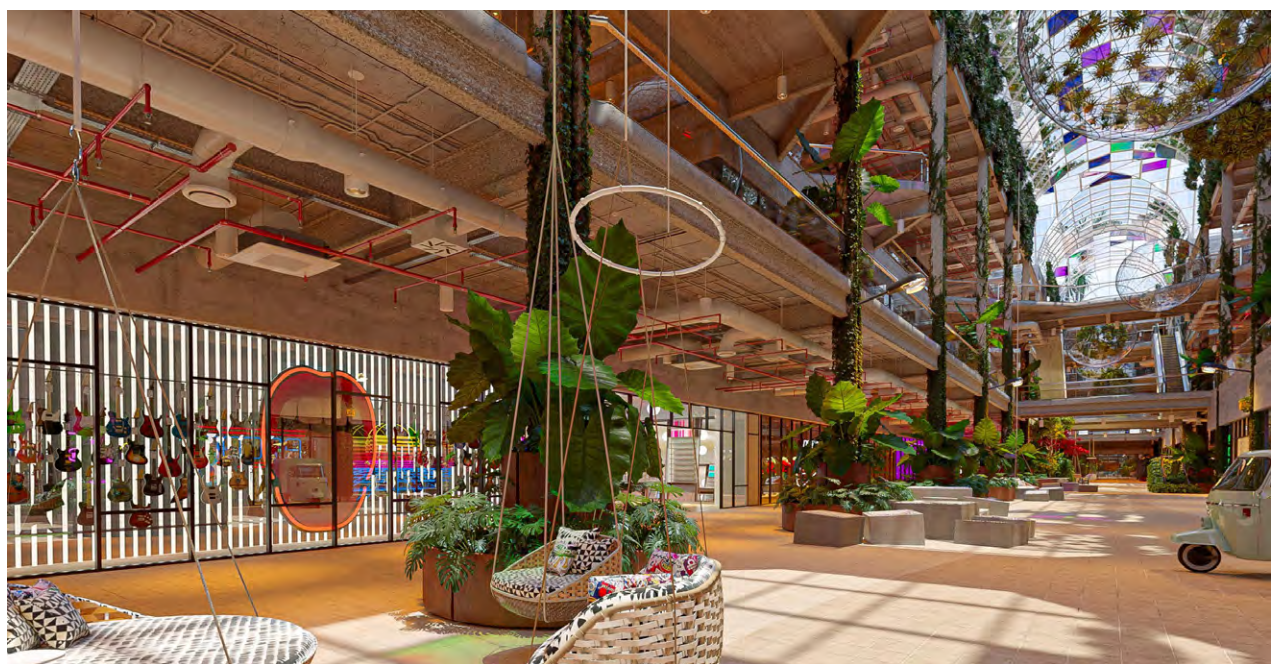
As planned, the project intends to conserve 75% of the existing superstructure and 100% of the substructure through the redevelopment. This decision to conserve most of the existing infrastructure has significant environmental benefits relative to demolishing and rebuilding the site, representing a savings of 14,440 tonnes of embodied carbon — the equivalent CO<sub>2</sub> emissions of burning 14,493,681 pounds of coal.


The project also aims to curb ongoing emissions through operational changes and densification. The current HVAC system will be removed from the main circulation areas, and the shopping center will be partially open to the exterior to create a naturally ventilated pavilion experience. Further improvements are planned for lighting, tenant guidelines, and waste management processes. With the addition of residential,

hotel, and office components, along with the planned extension of the Green Line Metro, the site will be transformed into a green transit-oriented development.

In support of the project's environmental ambitions, *South Bay* is targeting sustainability certifications, including LEED-ND Gold and Fitwel, for the overall project, as well as LEED Gold Core and Shell for the new-build residential component. These certifications assess the project against key criteria, including energy performance, water-use reduction, material sourcing, transit options, and community outreach and engagement. The credentials speak to the broad range of improvements that will be undertaken to deliver a project that aligns with the ESG goals of L Catterton and the *South Bay* community.

**“The South Bay Social District is targeting sustainability certifications, including LEED-ND Gold and Fitwel, for the overall project, as well as LEED Gold Core and Shell for the new-build residential component.”**





Members of the L Catterton team  
enjoying lunch at the Firm's global  
headquarters in Greenwich, CT

# Social

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# Supporting Diversity and Inclusion Across Our Global Portfolio

At L Catterton, we believe that strong D&I integration promotes workforce creativity, engagement, and retention, while also enhancing brand reputation and customer loyalty. We have continued to partner with our portfolio companies to maintain and improve D&I efforts across our global portfolio.

## PRISM

Earlier this year, we launched PRISM, our proprietary board development program for diverse executive leaders in the consumer sector, who are at the beginning of their board journeys and at varying stages of their careers. See [page 33](#) for more detail on this initiative.



In 2020, we entered a partnership with Him for Her, a social-impact venture focused on accelerating diversity on corporate boards, to continue promoting board diversity across portfolios. Since the beginning of this partnership, Him for Her has introduced over 150 diverse consumer executives to our existing network. Our partnership extends beyond introductions and drives direct board appointments throughout our global portfolio.

## WOB

We are a founding member of the Women on Boards (WOB) consortium, which helps place women and other under-represented minorities on the boards of portfolio companies across the private equity and venture capital industries. We continue to champion diversity on boards across the consumer landscape through our partnership with WOB by offering WOB candidates opportunities for board appointment within our portfolio of companies.



The 2X Challenge is 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. We continue to participate in the 2X Challenge through our Latin America Fund III and plan to expand this partnership by adding all successor Latin America Funds.



In 2021, *Truck Hero*, a Flagship Buyout Fund IX portfolio company, appointed four new directors to its board. As part of this search, we required *Truck Hero* to consider a diverse slate of candidates with consideration of factors such as gender diversity and professional background/expertise. This resulted in three of the four new directors being women and one being a person of color.

# 43%

of portfolio companies have a dedicated diversity policy

# 14

women and under-represented minorities were appointed to portfolio company boards in 2021<sup>1</sup>

# 45%

of capital invested in L Catterton Growth Funds III, IV, and V are in companies with diverse founders or CEOs<sup>2</sup>

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<sup>1</sup> Data provided 4/21/22.

<sup>2</sup> Data provided 4/21/22; diverse Founders or CEOs include individuals who identify as female and/or an under-represented minority.



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# The L Catterton PRISM Initiative



**We are proud to share that we launched PRISM, our board development program for diverse executive leaders in the consumer sector, in alignment with our belief that a diverse boardroom leads to better business.**

We recognize that many board diversity initiatives today focus on leveraging existing networks to drive diverse board appointments. While overcoming network barriers is essential and significant progress has indeed been made, there are other core barriers to achieving gender parity in the boardroom. For example, we recognized a gap in tailored mentorship and development and in representation of women in executive roles more broadly. In response to these challenges, PRISM builds on our longstanding partnerships with existing programs (e.g., Him for Her, Women on Boards) by addressing additional barriers to female executive leadership and board membership. We believe that training and mentoring potential candidates can help ensure their success in board roles and expand the circle of available talent. The program is designed to be small — each annual cohort consisting of around 20 participants — to not only allow engender trust and promote open and honest communication among members, but also to ensure success in board placements through its deeply curated offerings.

More specifically, PRISM promotes success in the board recruiting process and aims to accelerate impact once in the boardroom. Programming covers topics such as positioning for broad board placement, building board resumes, and preparing for board interviews and tactical skills (e.g., how to ask the right questions, tailor communication to the relevant audience, and research the company) are honed. Together, participants develop a comprehensive toolkit, leaving them confident to enter the recruitment process. PRISM is also focused on the long-term. By providing guidance on how to build chemistry with internal management teams and other board directors, for example, the program strives to develop the capabilities needed to be a valuable and enduring advisor in the boardroom.

PRISM's inaugural class includes a cohort of 17 female consumer executives, representing a range of consumer categories across which L Catterton invests (e.g., retail, beauty, health and wellness, restaurants, consumer services, etc.) and different functional positions, covering all areas of expertise (e.g., sales, marketing, operations, technology, finance, etc.).

Over the course of this year, PRISM programming has been supported by numerous experienced Board Directors, including our esteemed Advisory Board (see [page 34](#)), which is composed of five accomplished consumer executives who advise, mentor, and develop PRISM participants through various touchpoints. These events are built around both in-person and virtual engagements throughout the year, including a Board Bootcamp co-hosted by Maggie Wilderotter, an experienced board advisor to major consumer brands (e.g., Costco, HP, etc.), with an agenda that included sessions on the dynamics of public company boards, how to secure a board seat, and what success looks like in a board room. Additional programming has also included dinner discussions focused on successful board interviewing practices, webinars focused on how to build a digital presence, and other virtual sessions dedicated to understanding private company board dynamics, networking, and storytelling. PRISM's Advisory Board Directors also dedicate hours to leading mock board interviews with participants so that they can practice and perfect their board interview skills. In addition to PRISM's formal Advisory Board, various L Catterton leaders and external partners have engaged and delivered content throughout the year.

PRISM is overseen by Scott Dahnke, Global Co-CEO of L Catterton, along with Amanda Roberts and Karen Gordon, Talent Partner and Managing Partner of Portfolio Operations at L Catterton, respectively.

Next year, PRISM plans to recruit, develop, and place the next cohort, with the goal of encouraging women of the previous cohort to continue to engage with the program and provide mentorship and curriculum development. Ultimately, success will be measured by the community built by PRISM and the positive effects of more diverse representation in business leadership.

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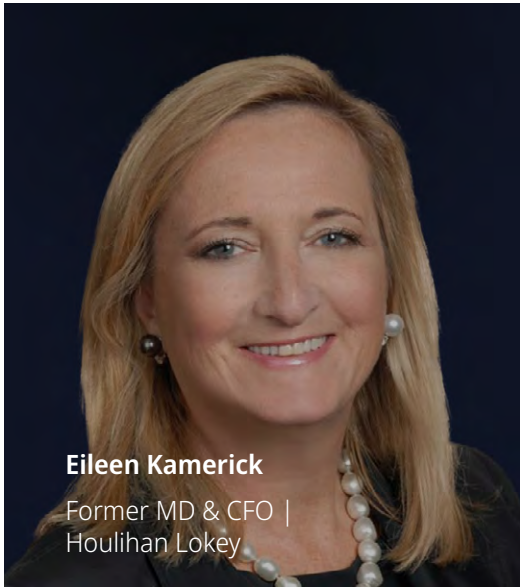
# PRISM Advisory Board



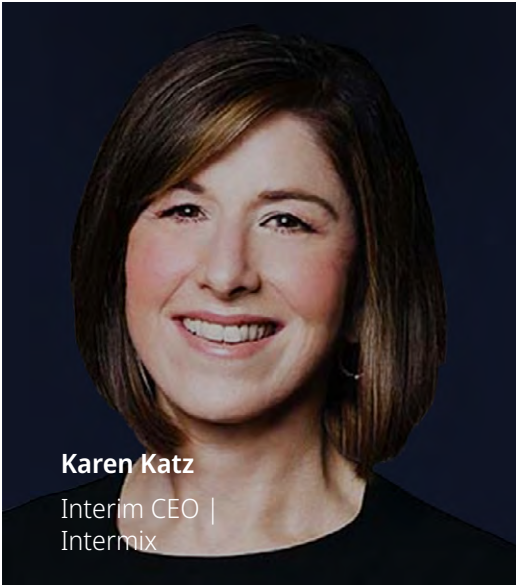
**Julie Bornstein**  
Chief Shopping Officer |  
Pinterest



**Ann Fudge**  
Former Chairman & CEO |  
Young & Rubicam Brands



**Eileen Kamerick**  
Former MD & CFO |  
Houlihan Lokey



**Karen Katz**  
Interim CEO |  
Intermix



**Lauri Shanahan**  
Former EVP & CAO |  
Gap, Inc.

NOTE: Click on images for further details on advisory counsel biographies.

# Ownership Works Partnership



At L Catterton, our investment philosophy prioritizes partnership with portfolio companies to drive value creation and alignment with ESG best practices. In 2022, we became a founding member of Ownership Works, a nonprofit organization that works with companies and investors to provide employees with opportunities to build wealth at work.

More broadly, Ownership Works offers support for structuring and implementing equity plans, developing a culture of employee ownership, creating a financially inclusive workforce with additional resources, and evaluating the impact of shared ownership programs on businesses and employees.

We hope that this partnership will support our efforts to increase wealth-building opportunities for employees across the portfolio companies we have identified as strong candidates for adopting an employee-ownership model. We are currently focused on identifying candidates within our portfolio that are well-suited to transition to an employee-owned model, such as companies that are geographically concentrated, have similar compensation structures across the organization, and have sufficient timelines to exit for an employee-ownership model to be implemented.



As an example of our efforts towards this initiative, following our investment in Kodiak Cakes (Flagship Buyout IX) in 2021, the Company offered 100% of its employees options in its management incentive plan.

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# Social Portfolio Examples

third  love

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Interview with *Third Love*

*Getaway*

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BEN & FRANK

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ROYALMOUNT

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**YEAR OF INVESTMENT**

2018

**INVESTMENT STATUS**

Current

**STRATEGY**

Growth

Founded in 2013, *ThirdLove* is a digitally native intimates brand with a highly differentiated product portfolio and algorithm-based sizing technology through *ThirdLove's* patented Fit Finder. As a lifestyle brand that was both founded by a woman and is focused on women, *ThirdLove* identified the opportunity to elevate women-led businesses. *L Catterton* recently caught up with the *ThirdLove* team to hear more about their initiatives to promote minority-owned consumer brands.

## An Interview with ThirdLove

### What is the TL Effect, and what were the drivers behind developing the program?

Started in 2020, the TL Effect is an in-house mentorship program geared toward women-of-color entrepreneurs looking to take their early-stage, consumer-focused start-ups to the next level. Women of color are prolific entrepreneurs, but there's a huge gap between that participation in entrepreneurship and the access to the capital needed to scale and grow those businesses.



*ThirdLove* created this program as a launching pad for building brand awareness and elevating start-ups through grant access and invaluable mentorship and fundraising advice from our own direct-to-consumer thought-leaders. As a brand that wants women to be the best versions of themselves, *ThirdLove* is able to reinforce and amplify its own brand position by helping others.

### How does ThirdLove select program participants?

The program is open to a wide variety of applicants, consisting of women of color leading U.S.-based, early-stage, consumer-focused start-ups with existing products or services that are in need of venture capital funding. Applications are considered based on their vision and concept, business strategy, and communications and social strategies.

**“As a brand that wants women to be the best versions of themselves, ThirdLove is able to reinforce and amplify its own brand position by helping others.”**



ThirdLove co-Founders, Ra'el Cohen (Left) & Heidi Zak (Right)

## How have participants reacted to the program?

### **Arah Sims, Founder of Kyutee Beauty and the first TL Effect recipient:**

"I have only amazing, inspiring, positive things to say about the TL Effect. I felt like this program was an MBA course on steroids. Working with Heidi and the other team members at *ThirdLove*, I was able to learn so much, and it was truly an immersive and intensive experience. Throughout the program, I was able to work at my own pace, and since I was just starting my business right alongside this program, it sometimes felt like I was building the airplane while I was flying it. But I knew that I had the right tools and the best support team from the TL Effect. This experience truly pushed me out of my comfort zone, and I would recommend it to any entrepreneur."

### **Tiffany Gifford, Founder of Bright Black:**

"Participating in the program was really great, with the highlight absolutely being having access to Heidi. I've been a part of other grant/mentoring programs and didn't have access to the CEO nor access to someone who really gets being a start-up or scaling in a palpable way. The fact that this wasn't the case with the TL Effect program was fantastic. I felt like the TL Effect program really respected my time, while also bringing great resources, both human and economic, to bear."

## What does engagement with program participants look like?

We offer personalized mentorship to each recipient. Recipients identify the areas of business they're most interested in, from shipping and logistics to marketing and fundraising, and the like. They then meet with *ThirdLove* teammates who are experts in their area to receive mentorship along with brainstorming and strategy ideation sessions and expert points of view on real issues impacting their businesses. We also offer ongoing support and help on an ad hoc basis whenever we can.

## What are outcomes of the program and future goals?

To date, we've had three successful cohorts. In total we've had over 900 applicants to the program. Cohort recipients have received press coverage in outlets like *WWD*, *Insider*, and *Fashionista*, among others. We plan to continue the program at our current cadence of one cohort per year. We'd love to grow and expand the program by partnering with other organizations who can lend unique expert points of view and resources.



# Getaway

## YEAR OF INVESTMENT

2017

## INVESTMENT STATUS

Current

## STRATEGY

Growth

Founded in 2015, *Getaway* designs and operates “tiny house” rentals in rural areas located close to major cities. Situated in secluded natural landscapes, the *Getaway* experience provides a restorative environment for overworked and overconnected guests. Many experts agree that the health benefits of rest, disconnecting, and spending time outdoors are immense. However, people of color often face barriers to accessing outdoor recreation. In June 2020, *Getaway* partnered with author, speaker, and activist Rachel Cargle to launch “A Year of Rest,” giving the opportunity for members of the Black community to dedicate time to relax and recharge.

The National Health Foundation points to a “diversity gap” in nature-based and outdoor recreational activities — in particular, the significant costs of entrance fees, lack of paid leave, cost of outdoor gear, and other issues can inhibit access to outdoor recreation, and Black, Indigenous, and people of color (BIPOC) individuals are more likely to face these economic barriers. As a result, Black Americans are reported to be significantly underrepresented in outdoor activities.

*Getaway* aims to address some of these challenges with its Year of Rest initiative, which provides 365 free nights of rest to Black healthcare workers, creators, and activists who are working for change and progress in their communities. Recognizing that rest has so often been out of reach for many members of the Black community, *Getaway* has committed to providing access to rest for those working for change. Recipients of the *Getaway* initiative were selected through nominations by friends, family, and colleagues. Thanks to thousands of submissions, *Getaway* was able to offer nature as a restorative refuge to 365 remarkable individuals including human rights attorneys, ICU nurses, activists, educators, entrepreneurs, and poets. The program guaranteed that participants had both transportation and food at their respective cabins to ensure the experience was comfortable, restful, and rejuvenating. Furthermore, *Getaway* has committed to sustaining the program as a long-term initiative, creating ongoing engagement with and support for the Black community.

**“Its Year of Rest initiative...provides 365 free nights of rest to Black healthcare workers, creators, and activists who are working for change and progress in their communities.”**



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## BEN & FRANK

### YEAR OF INVESTMENT

2021

### INVESTMENT STATUS

Current

### STRATEGY

Latin America

*Ben & Frank* is a Mexico-based eyewear brand. Founded in 2015, *Ben & Frank* delivers its fashionable, high-quality prescription eyewear through a direct-to-consumer omni-channel model.

During 2021, *Ben & Frank* identified an opportunity to enhance its diversity practices and encourage hiring and development of under-represented employee groups. Notably, *Ben & Frank* tracks diversity for groups such as single mothers with little or no help, employees of age 55+, indigenous peoples, and migrants, an important first step toward supporting facets of diversity outside of gender. Additionally, *Ben & Frank* hosts roundtables for employees and maintains pride month initiatives to further support a culture of diversity and inclusion more broadly. Finally, *Ben & Frank* has attempted to ensure that at least one woman is involved in any interview process, including final rounds, and has made efforts to train female junior team members for promotion into leadership positions.



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## ROYALMOUNT

### YEAR OF INVESTMENT

2018

### INVESTMENT STATUS

Construction Stage

### STRATEGY

Real Estate



*Royalmount* is a mixed-use neighborhood which is currently under construction in Montreal. The project is envisioned as Montreal's new "Midtown" and will feature a number of commercial facilities, including retail, hotels, dining, entertainment, and prime offices.

In collaboration with its project partners, *L Catterton* identified opportunities to actively engage with local community members and groups throughout the lifecycle of the project to cultivate positive relationships and strengthen its social license to operate. To this end, *Royalmount* hosted a variety of roundtables and information sessions with more than 70 key stakeholders and experts during project development to solicit important feedback on the needs and desires of community members affected by the project. In 2021, this included 11 virtual and in-person information sessions with the public, which reached around 1,500 participants.

Additionally, *Royalmount* created a Good Neighbor Committee with its industrial neighbors and plans to launch a community engagement program with a \$90,000 annual budget. Through this program, the project will support local causes and charity events, further cultivating goodwill and engaging with its community. Recently, *Royalmount* has hired a full-time, dedicated ESG professional to oversee the ESG monitoring and documentation work associated with the creation of this significant new urban hub for Montreal.



L Catterton global headquarters in  
Greenwich, CT

# Governance

# Portfolio Update

We strive to develop and maintain sophisticated cyber and compliance programs across our portfolio companies and our own global operations.

## Cybersecurity

We have upheld an exceptional privacy and security program under the leadership of our Chief Information Officer, Tom Steintal. In 2021, the Firm prioritized the implementation of next-generation firewall technology to provide more modern, powerful, and secure infrastructure across its global operations. We continued to run a rigorous testing, training, and monitoring program, which successfully defended against all attempted attacks in 2021. We frequently implement phishing tests and share those test results across the organization, as well as conduct remedial training to ensure the team remains equipped to detect and respond to increasingly frequent and sophisticated phishing attacks.

Throughout 2021, we also continued to engage our trusted cyber-advisory partners (including Agio and ACA Aponix) for diligence support on nearly all of our investments, as well as for Firm-level risk assessments. In 2022, we intend to onboard a third provider for Firm assessments in order to gain fresh perspective on its privacy and security posture.

3

industry-leading cybersecurity vendors engaged for 2022 Firm assessments

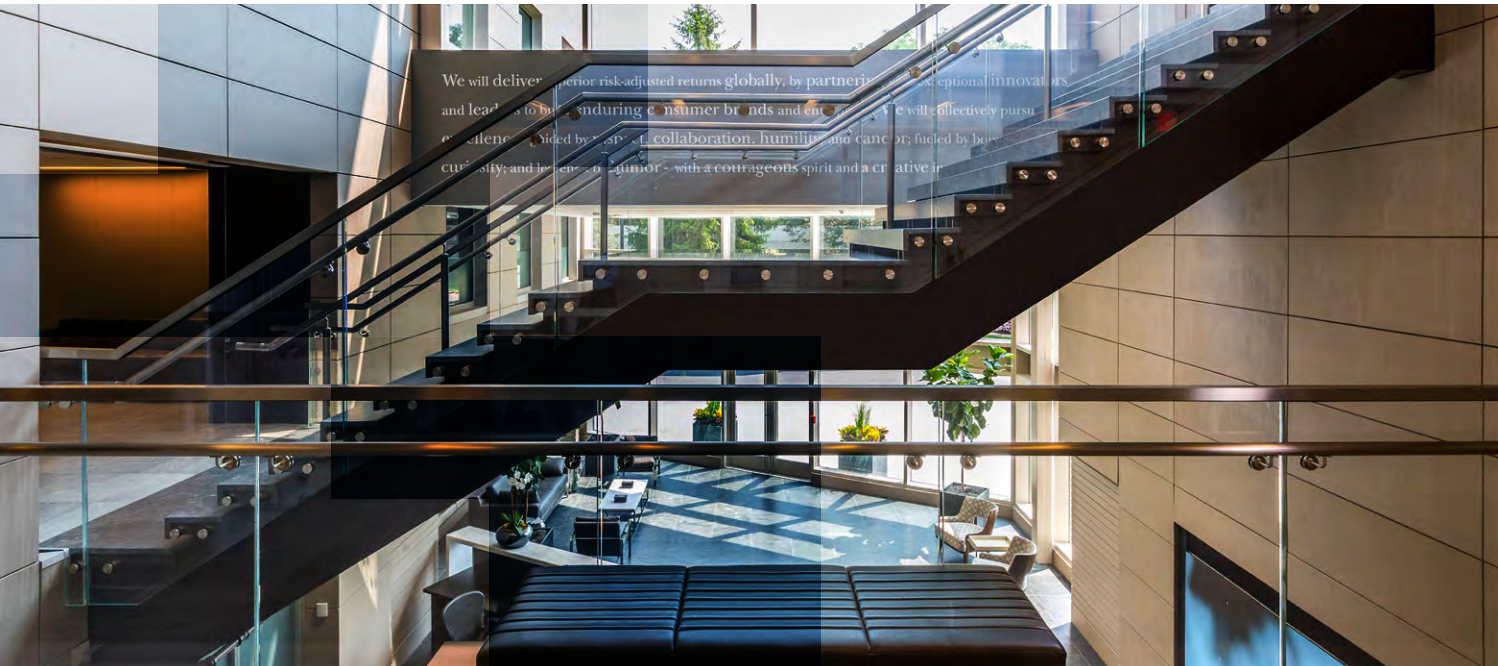
100%

of closed transactions underwent pre-investment cybersecurity diligence in 2021

Approaching

100%

employee completion of annual cybersecurity training



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## Risk & Compliance

We continue to view compliance as a critical component of effective risk management at the Firm and portfolio level. In 2021, we expanded our compliance team, welcoming Mitzie Pierre as our dedicated Chief Compliance Officer and Derex Walker as Chief Risk Officer along with vesting additional responsibilities in Dan Reid, Chief Operating Officer and General Counsel. Ms. Pierre will lead an increasingly specialized and sophisticated team to meet growing compliance demands within the industry. The Firm provides annual compliance training, updating content to reflect changes to the regulatory environment, and leverages third-party experts to regularly review its compliance posture. In addition to legacy partnerships with various legal vendors, in 2021, we engaged an SEC compliance specialist to ensure proactive compliance with

changing SEC expectations. In addition, we have placed greater emphasis on accurate and timely reporting of financial and other information by the portfolio companies proactively identifying and addressing potential portfolio issues in a more challenging economic environment. In this regard, the Firm recently conducted its first cybersecurity preparedness survey among the portfolio companies. The survey results are being used to identify potential shortcomings and areas for improvement.

Looking forward, Ms. Pierre plans to continue growing the compliance team, bringing in expertise as the Firm launches new fund types, and identifying subject matter experts on topics under heightened regulatory scrutiny.

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**100%**

of workforce completed ethics and compliance training

**100%**

of workforce completed discrimination and harassment prevention training

**74%**

of portfolio companies maintain a Code of Conduct

**43%**

YoY increase in monitoring of supplier ESG performance<sup>1</sup>

Following the outbreak of conflict in Ukraine, we sought expert advice to help portfolio companies navigate an increasingly difficult compliance landscape. Derex Walker, Chief Risk Officer, and Karen Gordon, Managing Partner of Portfolio Operations, supported the portfolio companies in quickly assessing and understanding the likely implications of the conflict on inflation, interest rates, supply chains, fuel prices, sanctions, and cybersecurity and thinking through how to manage their businesses in a more uncertain environment.

<sup>1</sup> Based on data provided by ESG survey respondents as of 12/31/21, data indicated an increase from 0% of portfolio companies monitoring supplier performance as of 12/31/20 to 43% as of 12/31/21.



# Governance Portfolio Examples



**bliss**

45

Feature on B-Corp Certification

 **West Marine**

46

**OLE &  
STEEN**  
LAGKAGEHUSET

47

**GANNI**

48

**petlove**

49

**伯纳天纯**<sup>®</sup>  
Pure Natural

49

**元气森林**  
GENKI FOREST

50



OWN DAYS

50

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# B-Corp Certification



A key focus for several of L Catterton's portfolio companies over 2021 has been progress toward and achievement of B-Corp certification, a designation of high standards of verified performance, accountability, and transparency across areas such as supply-chain practices; good jobs for employees; and diversity, equity, and inclusion.

For consumer goods companies in particular, we recognize that B-Corp certification can foster trust and engagement with consumers, local communities, suppliers, and employees and can also attract mission-aligned investors.

## To achieve certification, our portfolio companies must:

- Achieve a B Impact Assessment score of 80 or above and pass a risk review.
- Change their corporate governance structure to demonstrate accountability to all stakeholders and achieve benefit corporation status if available in their jurisdiction.
- Exhibit transparency by allowing information about their performance to be publicly available on B Lab's website (the nonprofit that certifies B-Corporations).

We are proud to share that five of our portfolio companies currently have B-Corp certification in progress, and 23 have demonstrated interest in pursuing B-Corp certification. Going forward, we will continue to encourage our portfolio companies to pursue B-Corp certification where feasible.



**bliss**

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## Selected B-Corp Highlight

*Bliss*, a global skin wellness brand, recently achieved B-Corp certification.

- In its first assessment, *Bliss* earned an overall score of 84.4 — by comparison, the median score for ordinary businesses that undergo the B Impact assessment is 50.9, demonstrating the strong commitment that Bliss has made to transparency and accountability in its environmental, social, and governance performance.
- Particular areas of strength include *Bliss's* dedication to providing good jobs to its employees; it earned a total score of 29.7 in its assessment of worker treatment, with 100% of employees earning at least living wages, and benefits including health and wellness programming and dedicated professional development initiatives.
- More information on *Bliss's* B-Corp certification is publicly available on the B Lab [website](#).

Founded in 1968, *West Marine* is the leading integrated omni-channel provider of aftermarket products and services to the boating, fishing, sailing, and watersports markets in the U.S. With 236 physical locations across 38 states and Puerto Rico, and two e-commerce platforms reaching consumers and professional customers, *West Marine* is recognized as the leading resource for cruisers, sailors, anglers, and watersports enthusiasts.

*West Marine's* core markets, the recreational boating and fishing industries, have been historically dominated by a white, male customer base. In fact, a 2020 report by the Recreational Boating and Fishing Foundation and the Outdoor Foundation found that women and racial or ethnic minorities accounted for only 36% and 21% of participants in the U.S. fishing industry, respectively. Recognizing this challenge, *West Marine* identified the opportunity to proactively expand access to and encourage participation of diverse groups in recreational boating, fishing, sailing, and watersports.

To build a diverse and inclusive community, *West Marine* promotes interest in marine activities among diverse youth through its nonprofit, Blue Future. Blue Future offers grants to community-based organizations that provide water recreation such as boating, fishing, and paddling expeditions as well as marine science education to youth. These contributions fund scholarships, equipment, staff, and new programs, affording organizations the key resources they need to realize their mission.

The most recent grant recipient pool (2020) included 63 organizations. One recipient was Adaptive Expeditions, a nonprofit organization that offers education and outdoor recreation adventures to individuals with physical and sensory disabilities. Another recipient, Chicago Adventure Therapy, will utilize Blue Future's grant to provide outdoor adventure experiences to Chicago children, youth, and young adults.



*Ole & Steen* is a premium Danish bakery with more than 100 bakeries across Denmark, the U.K., and New York City. *Ole & Steen* specializes in traditional pastries, such as cinnamon socials, rustic sourdough, rye, and Skagen bread loafs.

As an international organization with geographically dispersed employees, *Ole & Steen* identified the opportunity to enhance its governance structures to proactively set strong expectations of conduct across its employee base with the goal of maintaining high business ethics in all activities. Within the retail space more broadly, this risk often spans a wide variety of stakeholders involved in the production and sale of *Ole & Steen's* products, including employees, consumers, and suppliers. For example, *Ole & Steen* has introduced a

whistleblowing service through an external partner, WhistleB, which it has made publicly available on its website. As part of this service, employees, customers, suppliers, and others are given the opportunity to report any concerns anonymously. *Ole & Steen* investigates all matters it receives through the hotline and allows reporting stakeholders to select their preferred audience: Group A, which includes the Group CEO, Chairman of the Board, and Head of Legal, or Group B, which includes the Head of Legal and an external law firm. Overall, *Ole & Steen* views the tool as a critical service that ensures serious matters are addressed appropriately and which helps foster employee, customer, and public confidence in the Company.



# GANNI

## YEAR OF INVESTMENT

2017

## INVESTMENT STATUS

Current

## STRATEGY

Europe

Founded in 2000, *GANNI* is a contemporary ready-to-wear fashion brand that brings luxury garments to a broader audience for a more affordable price. The brand specializes in bright dresses in happy prints, patchwork denim, and tailoring infused with a designer sensibility. As a key player in the new luxury fashion industry, *GANNI* identified an opportunity to differentiate itself from competitors and align with stakeholder values in support of sustainable fashion. These efforts were recently highlighted in the *New York Times* article “Ganni Girls Like to Have Fun: How the cult label that reimagined the Scandi look became a global giant with ‘responsibility’ built into its business model.” ([Read here](#))

Results from a recent survey indicate that *GANNI* customers are 10% more attentive to sustainable and ethical brand practices and 8% more likely to use social media for fashion than the average luxury shopper. In response, key initiatives during 2021 focused on making *GANNI*’s supply chain more socially and environmentally responsible. *GANNI* also launched its [@GANNILAB](#) Instagram account to highlight these initiatives.

*GANNI* has adopted an industry-leading sustainability strategy, aligned with the UN’s Sustainable Development Goals of Responsible Consumption and Production, Climate Action, and Gender Equality. Currently, 92% of products use responsible materials (e.g., organic cotton) and 20% of styles are designed with circularity principles; *GANNI* aims to incorporate circularity into 100% of its styles moving forward. *GANNI* has also continued to grow its REPEAT rental platform to extend its product life cycle, reduce waste, and facilitate the transition toward a circular economy.

To address its contributions to climate change, *GANNI* has signed the United Nations Fashion Charter for Climate Action, committing to reduce greenhouse gas emissions by 30% by 2030 and become carbon neutral by 2050, in line with the Paris Agreement. *GANNI* has established a comprehensive supply chain accountability program focused on promoting supplier transparency and responsible labor practices. This program includes partnerships with sustainable marketing technology firms to provide consumers with product-level visibility into the social and environmental impacts of its upstream supply chains. Additionally, *GANNI* publicly reports all Tier 1 suppliers to Open Apparel Registry, a database of global apparel facilities, and in 2021, announced that 100% of its Tier 1 – 4 suppliers are traceable, from yarn mills to stitching operations. Lastly, *GANNI* also launched a collaboration with Levi’s in 2021 (*GANNI* x LEVI’S), focused on responsible fabrics, such as organic cotton denim and soft cottonized hemp, and the creation of a rental-only capsule collection of upcycled denim from vintage Levi’s 501 jeans.

Going forward, *GANNI* will continue to push the envelope in sustainable fashion, with plans to eliminate virgin leather and introduce plant-based alternatives to its products. Moreover, *GANNI* is actively pursuing a B-Corp certification (expected in 2022), committing to transparency across its internal operations, in addition to its supply chain.

- Tier 1** Assembly factories: Cutting, sewing, assembling, and packing for shipment
- Tier 1+** Subcontracted assembly factories
- Tier 2** Processing facilities: Fabric production
- Tier 3** Processing facilities: Yarn spinners and fiber processors
- Tier 4** Raw material suppliers







**YEAR OF INVESTMENT**

2020

**INVESTMENT STATUS**

Current

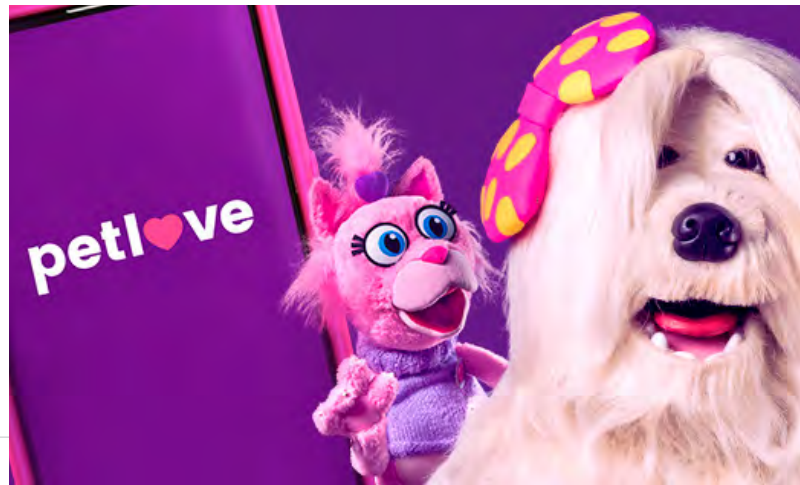
**STRATEGY**

Latin America

*Petlove* is one of Brazil’s largest pet e-commerce platforms, with a portfolio of more than 17,000 pet products, such as pet food, toys, and medications. In addition to its online retail offerings, *Petlove* offers pet sitting and boarding services, pet insurance, and services to veterinarians through several of its subsidiaries: PortoPet, Nofaro, DogHero, VetSmart, and Vetus.

During 2021, *Petlove* worked to enhance its ESG governance structures to promote ongoing accountability and oversight of its various initiatives. For example, *Petlove* hired a dedicated ESG manager in 2021 to drive the Company’s ongoing ESG initiatives, as defined in the Company’s 2020 – 2025 ESG roadmap. Within this roadmap, *Petlove* is actively conducting a carbon inventory and executing targeted emissions reductions initiatives — such as fleet electrification — to reduce the greenhouse gas emissions of its operations. Further in line with its ESG roadmap, *Petlove* has implemented new human capital initiatives to cultivate diversity,

equity, and inclusion among its workforce, such as a diversity committee, partnerships with diverse recruiting channels, and affinity groups. In 2021, *Petlove* also instituted a transformational incentive plan promoting shared employee ownership, whereby every employee in the Company received share grants.



**YEAR OF INVESTMENT**

2021

**INVESTMENT STATUS**

Current

**STRATEGY**

Asia

Founded in 2009, *Pure & Natural Pet* is a leading domestic brand in China’s premium pet food market, with both a domestic premium dog food brand and an up-and-coming domestic premium cat food brand. *Pure & Natural Pet* operates as a vertically integrated business, with a robust supply chain,

an extensive presence across offline and online channels in China, and a focus on balanced nutrition for pets.

Over 2021, *Pure & Natural Pet* has recognized the importance of proactive ESG risk mitigation and value creation to align with evolving consumer preferences in China for sustainable products and to reduce the Company’s carbon footprint more broadly. As a result, *Pure & Natural Pet* has set a goal to develop and complete an ESG Assessment Management System in the next two years, led by the Board Secretary and tailored to meet the requirements of the China Securities Regulatory Commission (CSRC) requirements for listed companies — these include, for example, disclosures on environmental protection and social responsibilities. Initial priorities for *Pure & Natural Pet* include an investment in solar energy equipment, high-efficiency equipment, and measurement of the Company’s carbon emissions.



**元气森林**  
**GENKI FOREST**

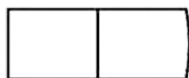
**YEAR OF INVESTMENT**  
2021

**INVESTMENT STATUS**  
Current

**STRATEGY**  
Asia

*Genki Forest* is a Chinese beverage company that sells low-sugar, low-calorie sparkling waters, teas, and energy shots.

In response to concerns of natural disasters and poverty impacting remote communities in China, *Genki Forest* realized opportunities to practice corporate social responsibility and support public welfare and environmental sustainability. For example, *Genki Forest* partnered with Hunan TV's *Youth on Earth* to visit 10 poverty-stricken villages and donate supplements to help with poverty eradication. Its yogurt sub-brand, North Sea Ranch, together with Green Food Bank, has started a targeted yogurt donation program, regularly delivering 1,200 bottles of yogurt to Green Food Bank per week, which will be distributed to lower-income groups, sanitation workers, and couriers. Additionally, *Genki Forest* has worked with China Forestry Group on reforestation initiatives to promote ecological protection and forest restoration. Internally, *Genki Forest* is committed to building and operating sustainable factories, from upgrading wastewater and solid waste discharge procedures to making full use of renewable energy.



**OWNDAYS**

**YEAR OF INVESTMENT**  
2019

**INVESTMENT STATUS**  
Realized

**STRATEGY**  
Asia



*OWNDAYS* designs and manufactures optical eyewear glasses that are sold to customers under the *OWNDAYS* retail brand through more than 450 stores in 13 countries, including Japan, Singapore, Taiwan, and others in Southeast Asia.

As a retail business in the eyewear space, *OWNDAYS* has identified an opportunity to support access to eyewear in the communities in which it operates. For example, in December 2020, *OWNDAYS* started a single-parent support project in partnership with Good Neighbors Japan (GNJP), a nonprofit organization, to provide glasses for children aged 7 to 18 in single-parent families who have undergone vision evaluations in school health examinations. As of May 2022, this project has been implemented at *OWNDAYS* stores in the Tokyo, Kanagawa, Chiba, Osaka, Hyogo, Kyoto, Nara, and Shiga prefectures of Japan. *OWNDAYS* hopes to expand the program to additional stores in the future.



L Catterton team members volunteering for Feeding Westchester as part of L Catterton's Days of Service. See page 57 and page 58 for more detail.

# Our Community

Uline 1-800-295-uline.com  
Wed Nov 10 9:30am - 11:30am  
Menu 1 540  
TABLE 2

# A Focus on Diversity and Inclusion Has Been Central to Who We Are Since Our Firm's Founding

As individuals and as a team, we have worked to establish and implement a coordinated global approach to attracting, developing, and retaining diverse talent. While these efforts have resulted in a more diverse and talented Firm, we remain committed to constant and continuous improvement.

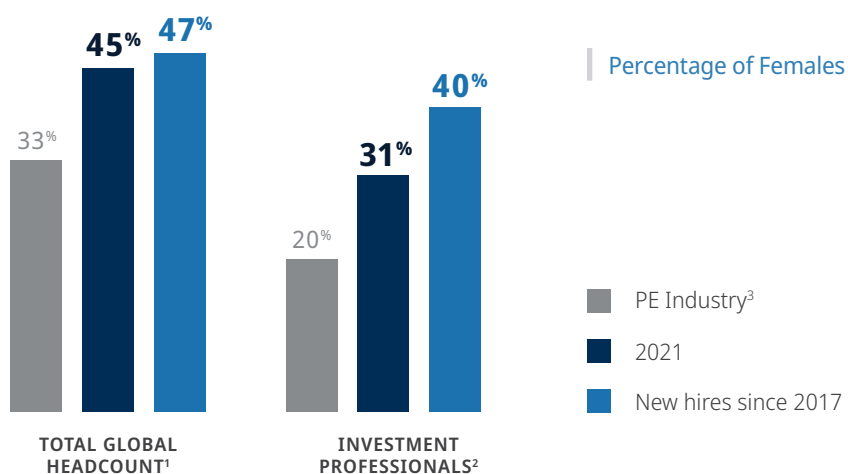
## DIVERSITY AND INCLUSION MISSION STATEMENT

Talent knows no bounds. We seek and celebrate all superior talent.

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.

## DIVERSITY METRICS

At L Catterton, we continue to focus on building and preserving a diverse and inclusive culture. Globally, females comprise nearly half of our total headcount compared to one-third in the private equity industry more broadly. When considering investment professionals, the percentage of new hires in the past five years that have been female is double industry benchmarks.



1 Includes all global L Catterton employees

2 Includes professionals on investment, operating, and investor relations teams

3 Total global headcount industry benchmark per EY, [Can PE win deals if it doesn't deal with DEI?](#) Investment professionals industry benchmark per BVCA, [Diversity & Inclusion Report](#)

# We Built Our Comprehensive Approach to D&I in Partnership with ILPA



Our Firm became an official signatory to the Institutional Limited Partners Association's (ILPA) Diversity in Action initiative in 2020, when the program was first announced. As part of our diversity and inclusion journey, we joined hands with limited partners and other general partners in the private equity arena who shared our commitment to D&I best practices. Our Firm established and continues to execute a comprehensive approach to diversity and inclusion following these ILPA guidelines.

Select examples of our Firm's diversity and inclusion initiatives within the ILPA framework include:



## DEMONSTRATE ORGANIZATIONAL SUPPORT FOR D&I

- CEO Action for D&I
- ILPA's Diversity in Action Initiative
- France Invest charter
- With Intelligence Women's PE Summit
- Wharton's "Women in Business" and HBS's "Women in Investing"
- Girls Who Invest
- Level 20
- Him for Her
- PRISM
- Women on Boards
- 2045 Studio

## ATTRACT AND PROMOTE DIVERSE TALENT

- Diverse slate of candidates
- Proactive outreach to underrepresented communities
- Diverse interview teams
- Recruiting/educational events targeted at candidate pools
- Internship programs with a focus on diverse candidates
- Semi-annual dinners to promote informal networking
- Diversity metrics tracking
- Global new hire diversity training

## BUILD AND SUSTAIN INCLUSIVE CULTURES

- Generous caregiver leave policies, adoption policies, and other benefits, including Maven Clinic, to support employees
- Equal employment opportunity and harassment training
- Flexible work policies
- Inclusive office spaces
- Charitable matching gift program of \$2,000 per year per employee and two service days per year, per person
- Sponsorship and buddy programs
- Developmental training initiatives and executive coaching program

## APPLY D&I TO THE INVESTMENT STRATEGY

- ESG due diligence review performed by Malk Partners for potential investment opportunities (across all funds)
- Comprehensive ESG assessment report post-investment and follow-up with portfolio company management
- Annual monitoring of existing investments through ESG surveys sent to all of our portfolio companies to track ESG data
- Annual ESG monitoring engagement with certain funds
- Annual public-facing impact report

## MEASURE AND BENCHMARK D&I PROGRESS

- Annual participation in the Great Place to Work® survey
- Ongoing D&I metrics reporting

---

# Supporting Our Employees Professionally and Personally

Our culture — one that is “owned” by all — is rooted in a shared belief in the power of continuous improvement. We are committed to supporting the growth, potential, careers, and spirits of every hard-working member of our team.

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We offer comprehensive and competitive benefits to our employees, including primary and secondary caregiver leave, flexible and remote work options, fertility coverage, well-being programs, online therapy options, and more.

We also offer a wide range of learning and professional development opportunities, both formally and informally, to help employees advance their careers and maximize the value they can add to the global firm.

Select highlights include:

- **Career Mentorship & Development Opportunities** — As our Firm continues to grow, we remain focused on mentorship and development in order to enable all L Catterton colleagues to maximize their talents. In this regard, we have added several mentorship and development programs including Hogan assessments, communications training, Ceresa coaching, Green Peak coaching, Day 1 Manager Training, Interviewing and Feedback training, “Ask Me Anything” video sessions, and our “Lunch with a CEO” series.
- **Mental Health & Well-Being Programs** — Our partnership with Cigna provides us access to many great mental health and well-being benefits. We have access to a large network of in-person providers that offer more traditional methods, as well as an array of industry-leading apps that are using technology to reshape the landscape of this space, including MyCigna, Ginger, MDLive, Talkspace, Happify, and iPrevail.
- **Family Building & Support Coverage** — In addition to our Family Leave policy, the Firm provides significant family building and support coverage, primarily through our comprehensive Cigna medical insurance plan and our fertility management program through our partnership with Maven. See [page 55](#) for more detail.
- **Work-Life Balance Efforts** — To continue promoting strong work-life balance, we partnered with Becoming Superhuman to host “The Science of Energy Management” workshop, led by UC Berkeley neuroscientists and faculty members, Dr. Sahar Yousef and Professor Lucas Miller. Becoming Superhuman delivers engaging and inspirational talks that help smart, driven people reclaim their ability to focus and achieve meaningful progress toward their most important goals and milestones every day.



## 2021 GREAT PLACE TO WORK®

We have participated in the Great Place to Work® (GPTW®) employee survey for three consecutive years (globally for the two most recent years). We received GPTW® certification upon completion of all three surveys, with increasing employee participation and higher approval ratings each year. In 2021 91% of participants responded that L Catterton is a “great place to work.”

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# Select Internal D&I Highlights



## DIVERSITY EXPLAINED DINNERS

Through our partnership with Porter Braswell, founder of Studio 2045 and Jopwell, we plan to host several Diversity Explained dinners. These dinners are intended to be intimate curated 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 around diversity. At our first dinner, we plan to explore the rapid increase in Black and Latinx buying power (with an emphasis on retail) in the United States. Given our focus on consumer investing and the scope of our partnership with Mr. Braswell, we believe this will be an organic, thought-provoking, and value-additive discussion for our team and the broader set of attendees.



## MAVEN CLINIC

In addition to our Family Leave Policy, the Firm provides significant family building and support coverage, primarily through our comprehensive Cigna medical insurance plan and our fertility management program in partnership with Maven, which we began cultivating in 2022. Specifically, Maven offers support to our employees through:

- Fertility and preconception
- Pregnancy and postpartum
- Adoption
- Surrogacy
- Early pediatrics, with coverage for parents of children up to 10 years old

We believe that Maven's commitment to inclusivity, through a network of providers with deep experience serving families of diverse backgrounds and family structures, makes them a natural partner for L Catterton. Across these two benefits, employees have access to fertility management and healthy pregnancy support, care advocates, 24/7 telehealth accessibility, surrogacy, and adoption reimbursement benefits. We offer our employees a lifetime maximum benefit of \$20,000 in reimbursements for eligible fertility (including egg freezing), adoption, and/or surrogacy expenses. The initiative has been met with overwhelmingly positive employee feedback, with multiple employees expressing gratitude for the additional flexibility the initiative provides in determining family planning timelines aligned with their career goals.



## SEMI-ANNUAL WOMEN'S DINNERS

As part of our ongoing Women's Initiative, we host semi-annual dinners to promote informal networking, relationship building opportunities, and discussion of topics of interest (e.g., sponsorship and mentoring) among the Firm's female professionals.

---

# Reinforcing Our Commitment to Diversity Within the Industry

In addition to our D&I efforts at both the General Partner and portfolio company levels, we aim to expand our impact by partnering with organizations and joining initiatives focused on advancing D&I within the broader private markets industry, including:



In February 2021, L Catterton proudly submitted a letter in support of Nasdaq’s proposal to enhance board diversity disclosures and encourage the creation of more diverse boards through a market-led solution. The SEC approved the proposal in August 2021.



Global Co-CEO, Scott Dahnke, is a member of the New York Stock Exchange (NYSE) Board Advisory Council. The Council, which is composed of CEOs from some of the world’s largest and most well-established brands, leverages their own personal networks to identify talented candidates interested in serving on boards. Through an exclusive online network and series of live events, the Council introduces candidates to NYSE-listed companies seeking to expand diversity on corporate boards.



Refer to [page 53](#) for more detail.



CEO Action for Diversity & Inclusion™ is the largest CEO-driven business commitment to advance diversity and inclusion in the workplace. Currently, there are more than 2,200 CEO signatories, 85+ industries represented, and approximately 21 million employees represented in the U.S. L Catterton’s co-CEOs, Scott Dahnke and Michael Chu, were among the founding signatories of this initiative when it was established in 2017. By signing the pledge, our Firm has committed to take action in promoting more inclusive environments and advance diversity and inclusion within the workplace, our industry, and our broader communities.



L Catterton continues to sponsor Level 20, a European initiative aiming for women to hold 20% of senior positions in the European private equity industry. Level 20 aims to help women in investment roles succeed by providing support such as mentorship and internships, as well as facilitating the sharing of insights and experience across women in the industry. Level 20 has eight chapters across Europe, with a membership base of more than 2,500 individuals and more than 80 private equity sponsors.



Refer to [page 35](#) for more detail.



We are also signatories to the France Invest Charter and sponsors of the Falk-Marques Women in PE Summit, Harvard Business School’s “Women in Investing” and Wharton’s “Women in Business” clubs.



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# Community Contributions & Employee Engagement

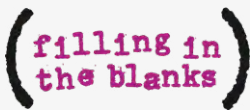
We remain deeply committed to our people and to our community.

## L CATTERTON DAYS OF SERVICE

Continuing our tradition of partnering with worthy organizations in order to give back to the community, we held three “Days of Giving” across our Americas offices. Across these three days, 61 team members located in our North American offices participated in five different volunteer sessions, helping two great organizations focused on food insecurity: Feeding Westchester and/or Filling in the Blanks.



Feeding Westchester is a member of Feeding America, the nationwide nonprofit network of more than 200 food banks serving every state in the United States. In 2021, the organization distributed almost 22 million pounds of food, equal to 18.2 million meals. Our team helped prepare and sort “Help From Home” bags, making it possible to fulfill an order for the organization’s senior sites.



Filling in the Blanks continues their mission of feeding the most vulnerable children in Fairfield and Westchester Counties. The organization is now serving over 3,800 children weekly, at 86 sites, 51 weekends a year. This year, each of our four volunteer groups packed approximately 4,300 meals and 1,075 bags, totaling over 17 thousand meals.



In 2021, our employees organized a fundraiser in support of a 50 – 100 mile cycling event for Henry Street Settlement, an organization that has been helping underserved communities in New York City for over 125 years. In total, the group was able to raise nearly \$9,500 to support Henry Street Settlement’s social services, arts, and healthcare programs.



In 2021, we continued our annual coat drive initiative for Kids in Crisis, a charitable organization in Greenwich, CT, that provides emergency shelter, crisis counseling, and community education programs for children and families facing crises.

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**We have continued our gift matching program to support employees’ philanthropic efforts up to \$2,000 per employee per year, including when employees donate more than 40 hours to an eligible charity.**



OTHER ORGANIZATIONS WE SUPPORT



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# ESG and D&I Priorities and Next Steps

While we humbly take pride in our achievements to date, we remain acutely focused on the challenges ahead.

## ESG

- Continue to work with Malk Partners and other ESG experts to build on our existing ESG capabilities. See [page 16](#) for more information on our ESG partnerships.
- Explore relevant opportunities for the Firm to continue to align with industry frameworks and best practices.
- Consider options for the Firm to join industry coalitions and networking groups on ESG topics.
- Continue to build our internal ESG knowledge base to promote meaningful portfolio company engagement on ESG topics.

## D&I

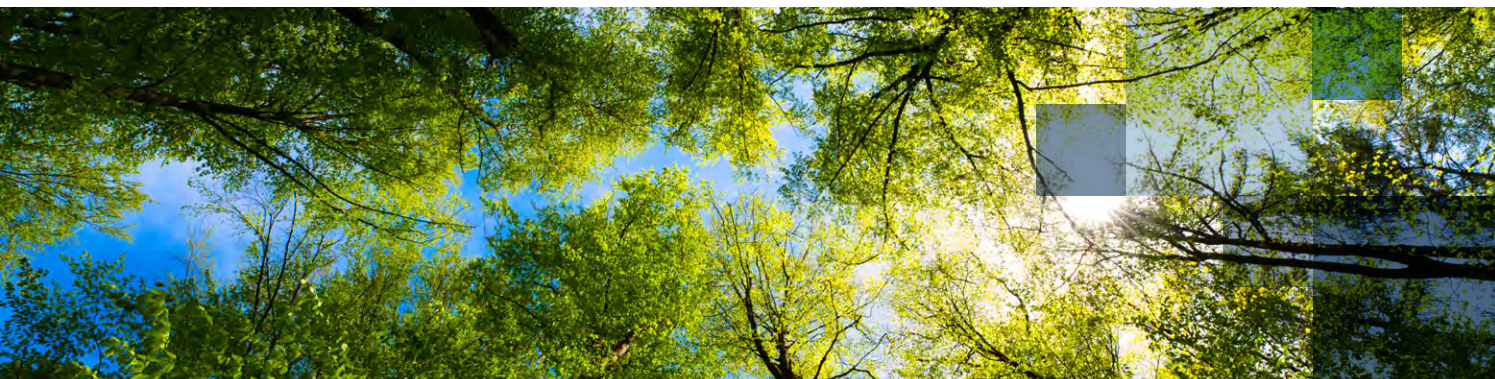
- We want to clearly state — and demonstrate — that we do not take a reactive approach to issues of diversity. Our policy has, for over a decade, been to explicitly include qualified minority and female candidates in every new hire interview pool. This approach has been one of the many ways in which we have promoted equality within L Catterton and has resulted in a more diverse and talented Firm. This will remain a cornerstone of our focus on diversity and inclusion going forward.

## Climate Strategy

- Continue to integrate the consideration of climate change risks and opportunities for every investment as part of the ESG due diligence process and encourage portfolio companies to track emissions where relevant.
- Evaluate our climate change programs for alignment with best practices and broader industry trends; for example, we are currently in process of enhancing our carbon accounting program through our partnership with Persefoni. See [page 20](#) for more information.

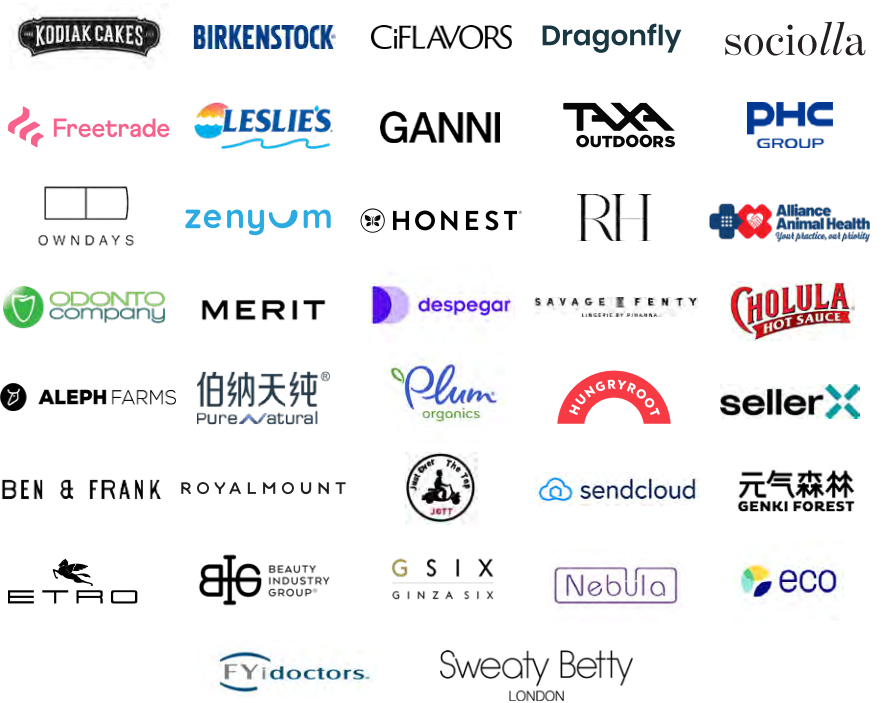
## Impact Fund

- Continue to build on our foundation of rigorous ESG analysis in our investment approach (focused on a company's internal environmental, social, and governance practices) and pursue a sophisticated impact investing approach through our Impact Fund, which will aim to identify companies whose products or services create compelling positive societal and/or environmental impacts and assist such companies in continuing to enhance their impact alongside financial returns.
- Leverage ESG and impact management best practices learned from Impact Fund portfolio companies across our other funds where applicable, in the spirit of continuous improvement on ESG integration across the Firm.



# L CATTERTON

With approximately \$33 billion of equity capital across its fund strategies and 17 offices around the world, L Catterton is the largest global consumer-focused private equity firm. Leveraging deep category insight, operational excellence, and a broad strategic network of relationships, L Catterton's team of nearly 200 investment and operating professionals support management teams around the world in building strong, category-leading brands. Since 1989, the firm has made around 250 investments in consumer businesses. For more information about L Catterton, please visit [www.lcatterton.com](http://www.lcatterton.com).<sup>1</sup>



## OUR CULTURAL VALUES

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

<sup>1</sup> Investment and operating professional headcount as of 3/31/22.



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