

ATL Partners ESG Annual Report 2023

ATL Partners takes environmental, social and governance (“ESG”) considerations fully into account in its business decisions for two reasons. First, ESG considerations help the ATL team develop sustainable, long-term strategies for portfolio companies, creating real value for all of ATL’s stakeholders, including limited partners, employees of portfolio companies, and the team at ATL. Second, and of equal importance, a comprehensive ESG policy enables ATL to create a positive and meaningful impact on all of the many areas that ESG touches. This report will overview ATL’s progress in 2022 in its efforts to advance its ESG goals, both at the firm level and at its portfolio companies.

Environmental

In 2019 ATL established a carbon-offset program for all travel taken by firm employees and members of the ATL Executive Board. In January 2023 ATL offset all employee air travel for the previous year through



Sustainable Travel International with an investment in forestry, renewable energy and blue carbon projects. ATL’s Carbon Offset Certificate is attached as an Appendix to this report. For more information about these projects, visit STI’s project portfolio at www.carbonoffsets.org.

Social

ATL encourages all employees and Executive Board members to give back to the community. ATL Executive Board members are offered the option to waive all or some of their annual board stipends in lieu of a donation in their name to a charity of their choice. In 2021, the ATL Executive Board collectively opted to donate over half of their stipend funds to charitable causes. In addition, per the ATL employee donation match policy, charitable donations made by an employee up to \$500 are fully matched by the firm, and donations granted to an organization to which that employee also invests his or her time and effort in a way that provides for direct contact with the constituencies served by each organization are matched up to \$2,000.



In 2022, ATL established a partnership with the Vaughn College of Aeronautics and Technology, located in Queens, New York. Vaughn, which is home to 1,600 students from diverse backgrounds, has a demonstrated track record of successfully preparing diverse students for successful careers in aerospace. Vaughn was ranked #1 in upward mobility nationwide, ranks in the top 4% of colleges with the highest ROI for students from under-resourced communities and more than 90% of students receive financial aid¹. ATL pledges an annual gift to provide support to students in three ways: the ATL Scholarship Fund, the Student Experience Fund, and the Speaker Series. Through these channels, ATL is able to offer tuition funding, send students to industry conferences



¹ See www.vaughn.edu for more information.

in order to broaden their exposure and experience, as well as support the initiative to host industry professionals on campus to meet and network with students. Looking ahead to 2023, ATL hopes to deepen this partnership by connecting its portfolio companies with the college's job placement team to help support students in their career goals, as well as focus on diversity at these companies.

Governance

In 2022, ATL expanded its Cybersecurity initiatives. Currently, the ATL Compliance Department reviews cyber policies and procedures as part of new hire training for all employees, and conducts ad-hoc employee awareness training on topics such as phishing, malware, and other issues that may impact our company and employees. As cyber risks are constantly evolving, so do our responses. As such, cybersecurity is a central part of ATL employees' annual compliance training. With the assistance of our outsourced IT service provider, ATL conducts phishing, vulnerability and penetration testing on its employees. Cybersecurity is also incorporated into ATL employees' annual compliance training.

ESG at ATL Portfolio Companies

While ATL is proud of our ESG initiatives at the firm level, the ATL team realizes that it can have a magnified impact through ATL's portfolio companies, who have large employee bases and environmental footprints. While ATL's work in ESG starts on the home front, ATL's focus on ESG fully extends down to each portfolio company and as such, ESG is a critical element of portfolio company management for ATL. Upon investing in a company ATL requires each to establish a formal ESG policy if none exists, and then ensures the company reports regularly and consistently on ESG and D&I. The reporting includes:

1. Annual Strategic Plan: ESG/DEI goals and objectives are laid out as a distinct agenda item in a company's annual strategic plan
2. Annual ESG Report: Each company is required to publish an annual ESG report
3. Quarterly Board Meeting: ESG progress and KPIs are reported quarterly as part of the quarterly board presentations

While the ESG opportunities for each portfolio company may vary depending on the business of that specific company, there are a few overarching items that ATL encourages each company to address. For example, ATL asks each company to establish a policy that, like ATL's policy, encourages employees to give back to their community through their time, not just their wallets. Second, ATL requires each company to establish a carbon offset program for company travel. Third, ATL asks portfolio companies to report diversity metrics, and their plans for improving company diversity. In the following pages, ATL is pleased to share some additional highlights from the ESG progress that each active portfolio company made in 2022.²

Aero Accessories

Aero Accessories & Repair Inc. ("Aero Accessories") is a leading provider of maintenance, repair and overhaul ("MRO") services for fuel systems, hydraulics, pneumatics, and power generation systems, and is ATL's most recent platform investment. ATL closed on Aero Accessories in October and, as part of the team's 180 day plan, is currently in the process of helping the company institute certain ESG procedures and policies, such as regular board reporting and establishing a formal ESG policy. That said, given ESG diligence is integrated into ATL's investment diligence process, when ATL underwent diligence on Aero

² For additional information on ESG at ATL portfolio companies beyond what is contained in this report, please refer to each company's Annual ESG Report.

Accessories, a number of ESG-matters were reviewed and considered. ATL was attracted to a number of ESG-related factors at the Company and also discovered a number of interesting ESG-related opportunities.

For example, the MRO industry, inherently, in many ways is focused on limiting the environmental impact of the aerospace industry as it focuses on reusing and recycling used components and elongating the lives of those components. Aero Accessories also follows good processes and procedures around material use and chemical containment and ATL is working with the company to improve the monitoring and reduction of water usage. In addition, ATL spent a lot of time diligencing Aero Accessories governance matters and found that the company has achieved critical, requisite industry certifications, including FAA, EASA, CAAT and NQA, USA. ATL also performed background checks on key personnel at the Company and found nothing material. Finally, ATL sought to uncover any potential red flags with respect to employee safety at the Company’s facility and found no history of injuries on site and also no OSHA inspections. ATL intends to monitor this going forward.

Arrive Logistics

Arrive Logistics is a leading multimodal transportation and technology company founded in 2014 that ATL sourced outside of a process in 2020. In 2022, Arrive managed more than \$2 billion in annual freight spend, leveraging an ever-expanding network of more than 70,000 carriers to deliver unique capacity solutions for over 6,000 shippers from across various industries. Arrive employ a diverse team of over 1,700 people working across five locations in the US and Mexico. ESG at Arrive is overseen by J-Ann Tio, the company’s Chief Strategy Officer.



Arrive implements several eco-friendly initiatives. From a customer facing standpoint, the company utilizes their proprietary technology platform, ARRIVEnow, to reduce greenhouse gas emissions and waste for transportation partners. This platform utilizes a load-matching algorithm to ensure shipments travel on trucks running the most efficient routes possible, drastically reducing empty miles and, in turn, emissions. In 2022, Arrive’s programs helped keep 100 million pounds of CO2 emissions from entering the atmosphere in 2022 alone. On average, Arrive’s record for empty truckloads is just over half that of the broader private fleet industry (13% versus 24%). The Company also has a number of corporate initiatives

in place focused on sustainability and reducing waste. These include: moving every employee to a laptop from desktop, reducing energy consumption by 80%; participating in corporate recycling programs, and offsetting corporate travel emissions.

Arrive is acutely focused on promoting a diverse and inclusive workforce and the company invests heavily in the experience and well-being of its employees. From providing fair compensation and meaningful benefits to world-class training and professional development opportunities, Arrive is committed to the ongoing development of its award-winning company culture and workplace. The company sponsors several focused training programs to deepen employees’ understanding and education in their fields, as well as several leadership programs to encourage promotion from within and employee retention. Arrive also invests heavily in programming that supports understanding and connection among team members, and offers several employee-led Employee Resource Groups (ERGs) to foster community and support across its entire employee base. These ERGs include Women in Logistics, the Black Logistics Group, PRISMS: LBGTQ+, UNIDOS, and Veterans in Logistics. Finally, Arrive is a significant supporter of local communities, and does so via its #MoveWithUs campaign.

Arrive is committed to maintaining transparent and effective governance standards. From the systems, processes and principles that guide operations to best practices around management, decision making and stakeholder accountability, the company is diligent about adhering to all relevant laws and regulations, as well as implementing internal controls and transparency measures. To that end, Arrive established several committees, including an Audit and Finance Committee and a Compensation Committee dedicated to governance oversight.

Global Critical Logistics

Global Critical Logistics (GCL) is the largest global provider of international forwarding solutions to the Music Touring, Fine Art, Sports, Film & TV Production, and other “zero-tolerance for failure” markets. ESG at GCL is overseen by Sasha Goodman, GCL’s Chief Administrative Officer. Sasha recently received the Airforwarders Association Jim Foster Lifetime Achievement award for her career in air cargo as well as her championing of women in air cargo. Sasha has been an advocate for gender diversity in the air cargo industry and frequently speaks out in support of the professional development of women in the logistics industry.



GCL has been at the forefront of taking action on climate change. The company established The GCL Green Committee which is comprised of representatives from across the GCL brands and serves as a think tank to identify and discuss key issues facing our businesses and vendors. Members contribute their perspectives during quarterly meetings, while gaining valuable insight into the rapidly changing sustainability landscape. In addition, GCL has begun gathering the necessary data to report on its Scope 1, 2 and 3 emissions. Once the baseline has been measured, their ultimate goal is to set reduction targets that align with the Paris agreement. Third, in 2022, GCL joined the U.S. Environmental Protection Agency’s SmartWay program, which helps companies advance supply chain sustainability by measuring, benchmarking, and improving freight transportation efficiency. As a SmartWay partner, GCL will have access to a comprehensive system and tools to track, document, and share information about its freight emissions, thereby encouraging greater transparency in our industry. Through this partnership, the GCL group hopes to reduce emissions by speeding up the implementation of fuel-saving technologies. Finally, GCL has established several other commendable environmentally focused initiatives such as installing EV stations in its corporate parking lots and offsetting its carbon footprint through Sustainable Travel International. GCL offers clients the option to offset their transportation as well.

On the social front, GCL is well ahead of the curve. In 2022, GCL established a robust Diversity & Inclusion (D&I) program, concentrating on improving employee wellness both at home and in the office and measures diversity levels across its employee base.



21% Women Managers for U.S. Offices



GCL also evaluated opportunities to expand its charitable giving to local communities and focused on goal setting in order to enable the measurement and tracking of progress over time. Other social initiatives include an Illness and Injury Prevention Program focused on employee safety, a tuition reimbursement program to encourage employee development, and some employee wellness programs focused on nutrition and health.

From a governance perspective, GCL strives to maintain the highest levels of governance and ethical standards. GCL requires employee and vendor training for relevant governance topics and also ensures regular quarterly reporting to its Board of Directors to ensure proper corporate governance.

LightRidge/GEOST

LightRidge was formed by ATL in 2021 to serve as an investment platform to acquire differentiated small to medium sized businesses focused on fast growing, mission critical national security demands. The first acquisition was GEOST, which is a leading designer and integrator of small to medium sized electro optical/infrared sensor systems for high value, National Security Space missions for U.S. Government customers that ATL sourced outside of a process in August of 2021. Since acquisition, GEOST has made a number of strides in ESG initiatives with the partnership and support of ATL.

Jennifer Celi, Senior Director of Contracts & Administration, leads GEOST’s ESG program. In June GEOST established an ESG committee and solicited volunteers throughout the company to join. GEOST’s ESG committee, currently 14-members strong, includes 4 sub-committees so that members can support the area(s) that most resonate with them, including Environmental, Social-Internal, Social-External, and Governance.

In 2022, GEOST took a number of initial steps to reduce its environmental impact and address key issues of environmental concern. This includes expanding its offset carbon program through Sustainable Travel International to include car travel, not just air travel. The company also has several environmentally-focused office policies including recycling and paper use reduction.

GEOST continues to prioritize social initiatives to foster a safe and diverse work environment with opportunities for personal growth and development. GEOST is an equal opportunity employer and is committed to an environment free from discrimination, harassment, and sexual misconduct. GEOST aims to promote a diverse and inclusive workplace. In 2022, GEOST monitored workforce composition throughout the year and has also always actively promoted the hiring of veterans. Currently, 21% of GEOST’s workforce is comprised of veterans. Finally, GEOST engaged in a number of commendable



initiatives related to community involvement and charitable giving. This included a student sponsorship program at the University of Arizona, and sponsoring employee blood drives for the American Red Cross. In addition, in December GEOST employees gathered to assemble 140 stocking care packages with hygiene items purchased by GEOST to support the, Primavera Foundation, a local organization that works to provide pathways out of poverty, and collected gifts for Toys for Tots.

As a federal government contractor, governance is of particular focus for GEOST. GEOST remained up-to-date on all applicable regulations, including the Federal Acquisition Regulations and relevant agency-specific supplements and export control regulations. Furthermore, in 2022, GOEST focused on a number of security-related actions, such as annual security team inspections, ensuring proper inventory of classified materials and personnel records, as well as critical security document updates. Finally, in 2022, GEOST continued to focus on its cybersecurity efforts to minimize the vulnerability of company data, hardware, and software.

In November, Lightridge completed the acquisition of Ophir, a sole source supplier of advanced remote sensing technology using Laser Radar for U.S. Government airborne missions. Ophir already maintains commendable practices in several ESG-related areas, which was an area of diligence before closing the acquisition. For example, Ophir maintains an Affirmative Action program to promote diversity in the workplace. Ophir also focuses on employee centric activities and community outreach to enhance their culture and overall work and community environment. Shandra Alver, Director of Human Resources, leads Ophir’s ESG efforts, and we look forward to sharing additional progress on the integration of Ophir into the Lightridge/GEOST fold, as well as its continued progress on ESG.

Valence Surface Technologies

Valence Surface Technologies (“Valence”) is the largest independent aerospace surface finishing platform in North America. ESG at Valence is overseen by Patricia Hamrick, Valence’s Chief Human Resources Officer.



Valence holds itself to the highest standards in the industry for environmental consciousness and impact. Company management and the Board of Directors regularly reviews Environmental Audits of its facilities which includes Air, Sewer Sanitation, Fire, Ecology DEQ and OSHA to ensure all sites are in compliance and violations, if any, are aired and addressed. Valence also established a carbon offset initiative for company

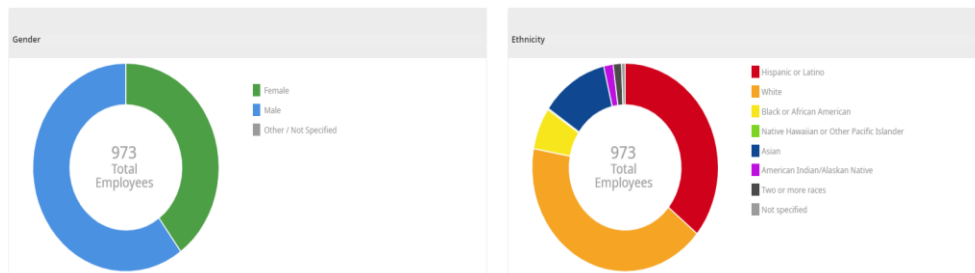
travel as per ATL’s portfolio company ESG policy. Other efforts include: Enrollment in the DOE sponsored ISO 50001 Ready Program to prepare the organization for formal accreditation; Elimination, reduction, or substitution, where possible, of materials that have detrimental effects on human health and the local environment; Preferential consideration for recycling or destruction of hazardous wastes or processing byproducts; and Source reclamation of spent materials and management of in-house processes to recycle wastewater for reuse, among others.



Valence’s social program is rooted in a commitment to developing and deploying an engaged, diverse workforce, fostering a culture of transparency and organizational compliance, and giving back to local communities. The company maintains an “Open Door” Policy that encourages employees to present



ideas, ask questions, and raise concerns, especially those of a legal or ethical nature, and those relating to quality of work, directly to any level of leadership without fear of retaliation. Valence also re-launched the Valence Integrity Hotline in 2022 to further promote the “Valence Speak Up” culture they aim to foster and support. Diversity, Equity and Inclusion has always been a focus and the company actively recruits people from diverse backgrounds to build a supportive and inclusive workplace. In 2021, management began formally reporting diversity statistics to the Board of Directors, including across gender and ethnicity, as well as across its management. Valence is also launching our Diversity, Equity and Inclusion Policy. Finally Valence is also committed to employee safety, and conducts monthly Safety Committee meetings at each site which includes education, training and audits.



Governance, quality, and compliance is a critical aspect of Valence’s ability to deliver on its commitment to customers. Valence’s Board of Directors formally convenes regularly, including both quarterly Board meetings and ad hoc, to address specific topics in order to provide appropriate corporate governance oversight and review, among other things, the strategic direction, quality of leadership and management, internal controls, and operating performance. Valence ensures compliance with all relevant regulations through third party independent audits and our internal Management Operating System, which is intertwined with the aerospace industry specific AS9100 framework by which we operate, align activities, review risk, and make decisions. To maintain compliance within this system, we conduct monthly executive leadership team meetings, Monthly Operating Reviews, and Internal/External Quality audits. Valence also operates in compliance with all CUI, ITAR, EAR, and FAA regulations. Finally, Valence invests significant resources in governance and focus on Cybersecurity risks.



The Company conducts periodic assessments and monitoring to mitigate the risk and impact from Cyber Incidents, including monthly reviews with its Virtual Operations Center partner, quarterly vulnerability and threat scanning on all networks, and annual network penetration testing, annual incident response plan reviews and annual employee cyber awareness training.

We look forward to sharing additional progress with you on ESG. Should you wish to discuss any of the above please do not hesitate to reach out to our team.

CARBON OFFSET CERTIFICATE

January 20, 2023 | Certificate Number: 012023

presented to

ATL Partners

for offsetting

281.98 MT of CO₂ emissions

By offsetting through Sustainable Travel International, you are supporting verified carbon offset projects that reduce greenhouse gas emissions, mitigate climate change impacts, and lead to healthier environments and communities around the globe.



Paloma Zapata
CEO, Sustainable Travel International



EIN: 37-1461679

