



AMERICAN SECURITIES



Citizenship Report

2021



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Our Mission

Generate superior returns by making investments in great businesses and helping management better them.

Our Values

We maintain the highest personal and corporate ethics through **honesty** and fair dealing.

We are dedicated to a true **partnership** with our management teams, our colleagues, our investors, and all others who help us achieve our mission.

We aim to be **respectful** in all of our interactions.

Our focus is always on the **long-term** best interests of the companies and investors we serve.

We are committed to fostering an inclusive environment that promotes and values **diversity**.

We seek to continuously build **human capital**.

Our success is grounded in **hard work** and rigorous analysis.

We enjoy our work and the **relationships** that come from it.

We hope to make the world a better place by **giving back** to the communities in which we live and work.

CEO Message

Since American Securities' inception, being a responsible citizen has been an implicit part of our culture and our Values, which are a credo by which we express the type of Firm and people we hope to be. We codified our Values in writing in 2008, including Giving Back and other values we believe relate to being a responsible citizen. In 2020, as part of our ongoing efforts to revisit our Values and ensure that they accurately represent our collective aspirations and latest thinking, we added our Diversity value.

Progress on Environmental, Social & Governance (ESG) and Diversity, Equity & Inclusion (DEI) initiatives are important to the success of our Firm and portfolio companies. To share more detail on initiatives and progress across our ecosystem, we have re-imagined what formerly was our annual Giving Back Book as a broader Citizenship Report.

ESG has always been important to our Firm and we codified that commitment with our first written ESG policy in 2016. This year, our ESG evolution continues with the active integration of ESG priorities and monitoring of key performance indicators, to drive progress at our portfolio companies and to embrace best practices.

DEI has long been an underpinning of our Giving Back value and led us to create a standalone Diversity value in 2020. The original investors in American Securities were the heirs of Julius Rosenwald, who was the primary owner and President of Sears Roebuck in the early 1900s. Julius was an early proponent of "giving while you live" and dedicated the majority of his fortune to charity. He firmly believed that the racial divide in the United States could not be mended unless those with privilege worked in partnership with marginalized communities to further their progress. Since we launched our dedicated DEI effort in 2018, we are pleased with the progress we have made, in particular on recruiting and in developing industry partnerships. Here, as in all things, we strive for continuous improvement within our organization, as well as at our portfolio companies.

For more than two decades, American Securities has donated at least 10% of management company profits each year to the American Securities Foundation, which, in turn, donates these funds to worthy causes and charitable endeavours. In addition, 2021 marks the tenth anniversary of two Giving Back programs to further encourage charitable contributions among all American Securities colleagues: (i) the Giving Back Grant, which allows administrative colleagues to direct \$500 from the American Securities Foundation to charities of their choice, and (ii) the Matching Grant Program, in which the American Securities Foundation matches donations made by all colleagues up to \$5,000 per person. In this year's report, we have compiled data from inception for both programs, which illustrates the breadth of the organizations supported by our colleagues. We are proud to support non-profit organizations that are important to our team members.

While 2021 precluded our annual in person Giving Back Days in the United States, our Shanghai colleagues were able to maintain the tradition while our colleagues in the United States found other ways to contribute their time to valuable causes.

The examples contained herein highlight only a small portion of the initiatives that American Securities and the portfolio companies in which we have had the privilege to invest undertake in an effort to make the world a better place through responsible citizenship.

Sincerely,



Michael G. Fisch
Founder & CEO



Environmental, Social & Governance



In 2020, we prioritized portfolio company employee and global health and safety in light of COVID-19, working in tandem with our Shanghai office and multiple portfolio companies to source or produce personal protective equipment for our colleagues and communities. Individually and collectively, the Firm and our portfolio companies did many things to help our communities, including delivering 34 ventilators to a New York hospital system in April 2020.

We continuously review and revise our approach to ESG based on market evolution, feedback from investors, and best practices.

In 2018, we partnered with third-party diligence providers to perform ESG diligence on all potential investment opportunities that advance beyond a certain stage in our pipeline.



2016

2018

2019

2020

2021

Since inception, being a responsible global citizen has been an explicit part of our firm's culture. This evolved into a written ESG policy being codified in July 2016.

In 2019, we revised our ESG policy to make it more robust and reflective of our engagement on the topic.



In 2021, we engaged Tablecloth to assist our firm and portfolio companies in the management and reporting of key performance indicators (KPIs). The project is focused on the collection of annual ESG metrics including, but not limited to, climate; safety; resource efficiency; employee engagement; and diversity, equity & inclusion. We have launched a pilot program with one company and intend to roll out similar programs with additional companies in 2022.



ESG Policy

Principles:

Since the firm's inception, American Securities LLC and the American Securities Partners funds have committed to acting as a responsible citizen. In recognition that environmental, social, and governance matters are important to both risk mitigation and value creation, we are following the principles below to identify and manage ESG risks and opportunities in connection with the ASP funds' activities. We believe that this policy is consistent with the American Investment Council Guidelines for Responsible Investment.

Environment: Seek to grow and improve the companies with which we partner for long-term sustainability with the goal of improving performance and minimizing any adverse environmental or societal impacts on individuals, communities, or the planet.

Social: Ensure a safe and healthy working environment for all employees of portfolio companies by paying competitive wages and benefits, preventing harassment and discrimination, emphasizing workplace safety, and promoting diversity. Additionally, we respect basic human rights in all that we do and seek to confirm all company operations and supply chains do not facilitate discriminatory behavior, child labor, forced labor, or modern slavery.

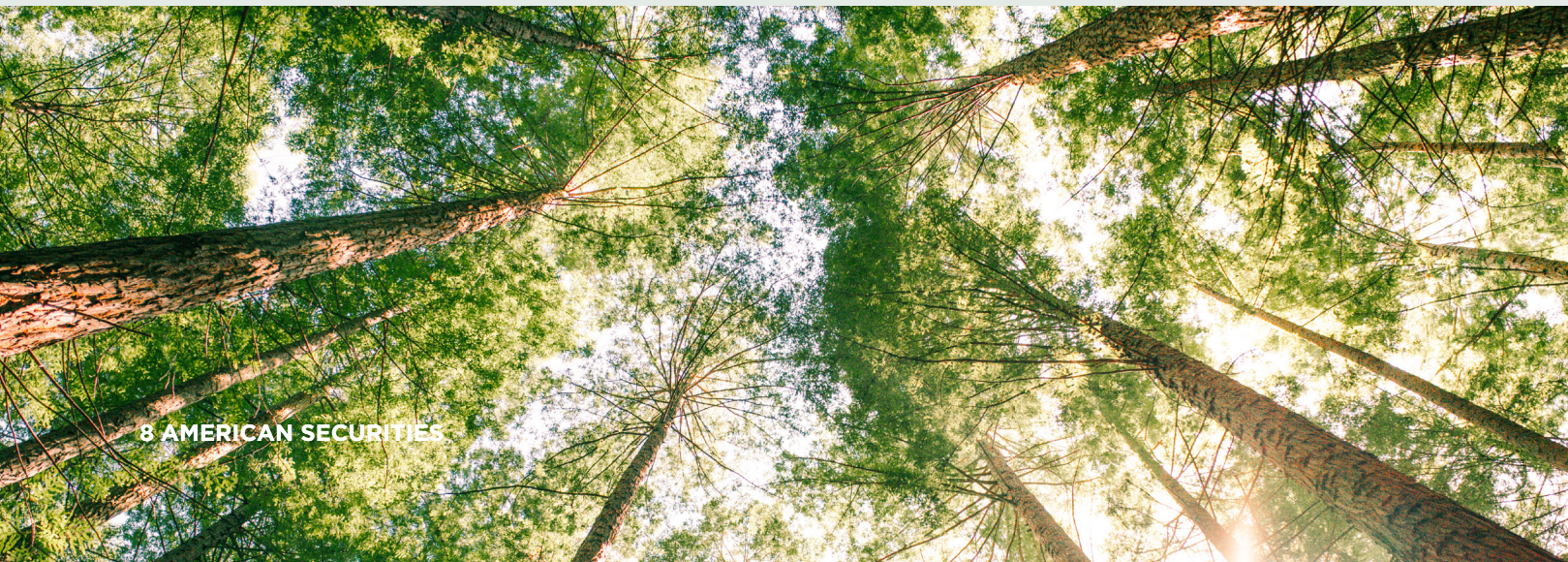
Governance: Remain committed to proper governance structures and practice by adhering to all applicable state, national, and international laws and promoting best practices with respect to ethical conduct, anti-bribery and corruption, and data privacy and security.



Implementation:

We are taking the following actions in order to effectively integrate ESG considerations into our investment process.

- 1** Conduct ESG due diligence on platform acquisitions to identify material risks, as well as opportunities for value creation.
- 2** Work with company management to remediate any ESG risks identified in diligence and monitor material ESG issues on an at least annual basis to promote continuous improvement.
- 3** Communicate with investors with respect to material ESG-related matters at least annually, and where appropriate, notify investors of significant negative ESG incidents as they might arise with respect to a particular portfolio company.
- 4** Provide resources and training on ESG-related matters and best practices, including leveraging outside consultants where appropriate.



Next Steps:

We believe the active integration of ESG priorities and monitoring of key performance indicators is critical to driving progress at our portfolio companies and continuing to embrace best practices. As part of the next phase of our ESG evolution, earlier this year, we researched third parties to assist our team in the management and reporting of KPIs.

In August, American Securities engaged Tablecloth, a provider of ESG and impact analysis services that offers a custom and technology-focused approach to ESG management. Tablecloth's platform is designed to help collect, analyze, and visualize ESG data, while leveraging technology to integrate with portfolio company systems to alleviate the burden of data collection on company employees and enable them to focus on actionable

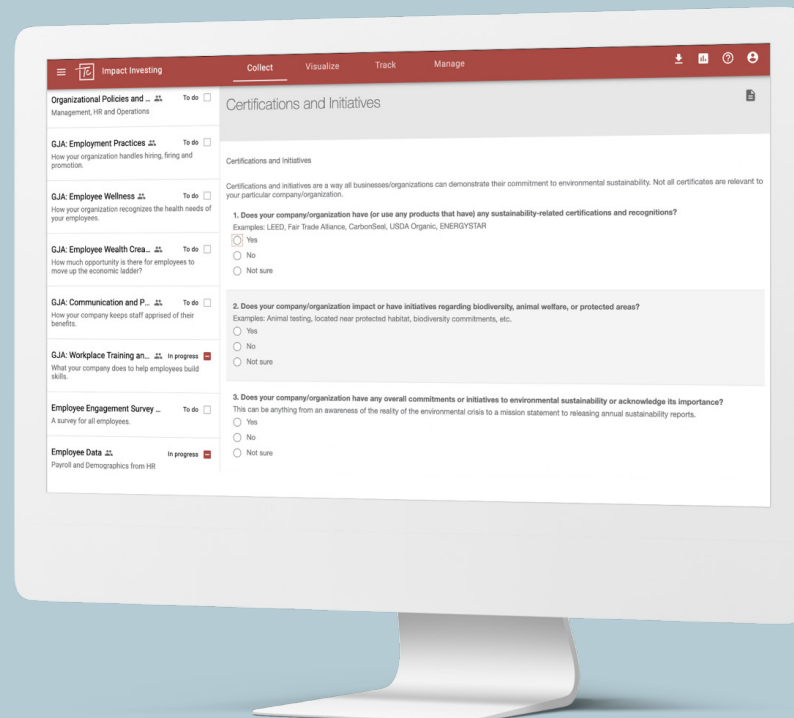
opportunities informed, in part, by the data collected.

The below are key areas of focus we have identified as we begin our initial data collection through a pilot program that is currently underway at Acuren, an ASP VIII portfolio company.

- Climate
- Diversity, Equity & Inclusion
- Employee Engagement
- Resource Efficiency
- Safety

The Financial Performance team in the Resources Group is working alongside Tablecloth and our portfolio companies to implement data tracking. Following the pilot program, we intend to expand the rollout of this initiative to additional companies in 2022 and provide reporting later in the year.

Tablecloth's platform is designed to help collect, analyze, and visualize ESG data



Blue Bird is the leading independent designer and manufacturer of school buses, with more than 550,000 buses sold since its formation in 1927 and approximately 180,000 buses in operation today.

Blue Bird has a rich history of bringing new technology to the school bus space and is a pioneer in alternative-powered school buses. The company was the first to market electric school buses in 1994 and has more than 20,000 low- and zero-emission buses on the road today.

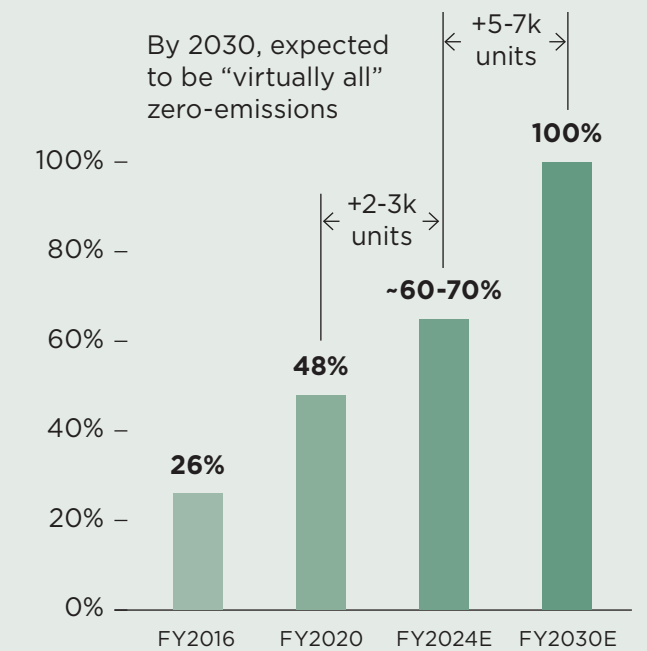
Since our partnership with Blue Bird began in 2016, sales of alternative-fuel buses, which include electric- and propane-powered buses, have increased significantly as customer demand has shifted toward more environmentally friendly options. Blue Bird's alternative-powered bus sales represented more than 50% in the quarter ended September 30, 2021, which are further supported by a very strong order backlog. Blue Bird continues to be the clear leader in North American market share in both electric- and propane-powered school buses. Based on current growth rates, Blue Bird is increasing its focus and resources in the electric-powered vehicle business. In addition, the company has announced its intention to offer Blue Bird chassis with

factory-installed electric drivetrains to commercial vehicle manufacturers and is in early discussions with a number of commercial-vehicle customers.

Looking ahead, Blue Bird intends to increase its EV production capacity to 3,000 units annually, a significant increase from the previous target of 1,000 units in 2020. By 2030, the company expects that nearly all of its sales will come from electric-powered school buses.

Blue Bird Increasing Alt. Power Mix

Future Growth Led by Electric and Propane



amentum

In 2021, United Clean Up Oak Ridge (UCOR), an Amentum-led partnership with Jacobs Engineering Group Inc., received its third overall Innovation Award at the Voluntary Protection Participants' Association's Safety+ Symposium. The 2021 Innovation Award recognized the company's outstanding training, qualification, and professional development programs in radiological control, industrial hygiene, and construction and heavy equipment. UCOR is the U.S. Department of Energy-Oak Ridge Office of

Environmental Management's lead environmental cleanup partner and is responsible for cleaning up the former Oak Ridge Gaseous Diffusion Plant and other sites on the DOE Oak Ridge Reservation. The DOE is converting the 2,200 acres previously occupied by the gaseous diffusion plant into a multi-use industrial park, national park, and conservation area. In October 2021, UCOR successfully re-competed for and was awarded a potential 10-year, \$8.3 billion contract to continue and expand upon its cleanup and remedial work.



In 2021, Chromaflo was awarded a Gold Rating by the Corporate Social Responsibility assessment from EcoVadis for its EMEA operations, placing the company among the top five percent of companies evaluated. The review focused on Chromaflo's

policies and procedures pertaining to the environment, labor practices and human rights, fair business practices, and sustainable procurement issues, as well as waste management, energy consumption, and use of renewable energy sources.



In spring 2020, CS Energy's Women in Renewable Energy (CS Energy WiRE) program was launched to engage female employees at CS Energy and to provide them with the tools needed to grow and advance personally and professionally. So far, the group has participated in internal networking events and an

external Town Hall, where women on CS Energy's leadership team joined with the National Girls Collaborative Project to connect with and encourage young women to pursue careers in sustainability, engineering, and renewable energy. Like many STEM fields, the renewable energy space employs a lower number of women.

OREGON TOOL

With employee safety as a top priority, Oregon Tool experienced a 32% reduction in its Total Recordable Incident Rate (TRIR) over the course of

our partnership from 2016 to 2021 and produced better-than-average TRIR outcomes annually as compared to the industry.



Diversity, Equity & Inclusion

In 2018, we engaged a DEI consultant with the goal of implementing a long-term DEI strategy designed to create an even more diverse organization and to continue to harness the power of unique perspectives and insights. Since that assessment, we have created annual DEI goals to build upon progress at the firm and individual level.

Progress on 2021 DEI Goals



Established DEI Committee with members from different teams and of different seniorities



Firmwide presentation on implicit bias from Dr. Mahzarin R. Banaji from Harvard University



Implemented Greenhouse software to formalize tracking of metrics and establish greater objectivity in recruiting



Created peer mentoring program for new hires on the Investment Team and Resources Group to support integration and onboarding



Enhanced our existing third-party partnerships

- SEO
- The Robert Toigo Foundation
- Out Leadership
- Women's Private Equity Summit



Expanded network of partnerships

- Out Investor
- Women's Association of Venture and Equity



Became signatory to ILPA Diversity in Action Initiative

Recruiting

We're proud of the progress we've made on DEI-related efforts across the firm. For recruiting, we believe that our partnerships with third-party organizations and requirement that recruiters present diverse pools of

candidates have started to yield results. As we compare our organization today to our team when we began our DEI initiative, we've made meaningful strides in diversifying our team.

Overall: % Female & Underrepresented Colleagues

	2018	2021
Investment Team	19%	31%
Resources Group	28%	40%

2021 Hires: % Female & Underrepresented Colleagues

Firmwide	68%
Investment Team	58%
Resources Group	78%

Industry Initiatives



In 2021, we became a signatory to ILPA's Diversity in Action Initiative, which brings together limited partners and general partners who share a commitment to advancing diversity, equity, and inclusion in the private equity industry



In 2020, we became a member of Out Leadership. Through executive events, talent initiatives, and periodic communications, Out Leadership leads the conversations that inspire Out Leaders and multinational companies to grow business through inclusion



In 2018, we initiated our sponsorship of SEO's Alternative Investments Fellowship Program (AIFP) and have partnered with SEO on a number of events and initiatives aimed at providing access to investment banking analysts traditionally underrepresented in the alternatives industry. American Securities professionals have participated in AIFP Fellowship interviews and mentorships, annual breakfasts for investment banking analysts interested in private equity roles, and private equity preparation programs



Bringing Diversity to Life

Since 2018, we have engaged with the Robert Toigo Foundation's programs for both recruiting and professional development, including sponsoring Toigo's Catapult program, which provides training and connection to incoming MBA students, and participating in Toigo's RISE program, which supports career advancement for high potential women



Women's Private Equity Summit

Since 2016, we have sponsored the Women's Private Equity Summit, an annual conference for women from private equity, venture capital, credit, and other private market industries



In 2021, we became a member firm of Out Investors. The organization's mission is to make the direct investing industry more welcoming for LGBTQ+ professionals by organizing networking events, speaker series, and mentorship programs



Women's Association *of* Venture & Equity

In 2021, we sponsored the WAVE Women in Alternative Investments Career Forum, an event to recruit the next generation of women in finance

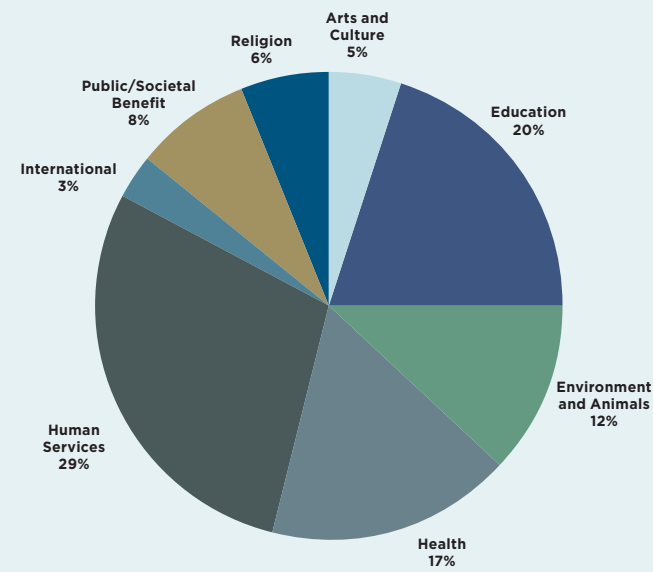
American Securities Foundation

For more than two decades, American Securities has donated at least 10% of management company profits each year to the American Securities Foundation, which, in turn, donates these funds to worthy causes and charitable endeavors. 2021 marks the tenth anniversary of two programs to further encourage charitable contributions from colleagues: (i) the Giving Back Grant, which allows each administrative colleague to direct \$500 from the American Securities Foundation to charities of their choice, and (ii) the Matching Grant Program, in which American Securities matches donations made by all colleagues up to \$5,000 per person.

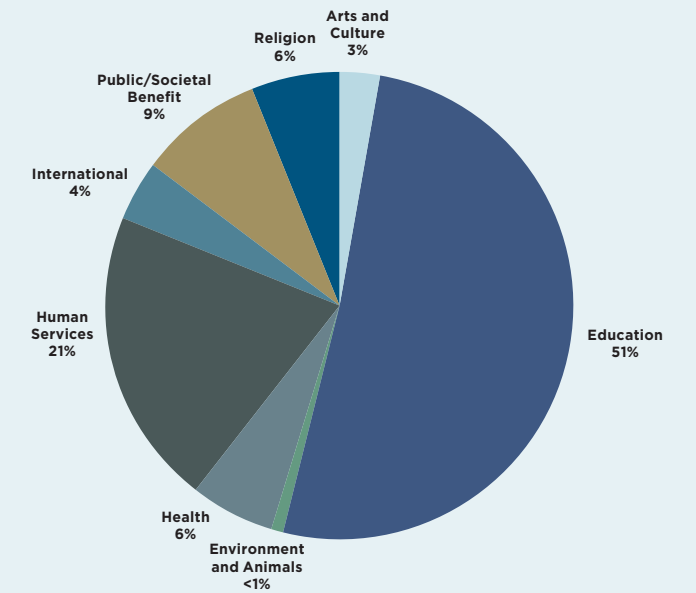
We are proud to support non-profits that are important to our team members.

The charts below contain data from inception to present for both programs to illustrate the breadth of the organizations supported by our colleagues. The Giving Back Grant Program has resulted in 406 donations totaling \$156,400 to 171 organizations. The Matching Grant Program has resulted in 588 matches totaling more than \$1,020,000 to 245 organizations.

Giving Back Grants



Matching Grants



Giving Back Days

Although our New York colleagues have been unable to participate in our annual Giving Back Day due to COVID-19, we continue to maintain our partnerships with Grace Institute and West Side Campaign Against Hunger (WSCAH).

Over the years, American Securities has partnered with Grace Institute on a variety of giving back opportunities. Though we were not able to gather in-person in 2020 or 2021, we continue to find ways to support the program. Grace Institute serves 200 unemployed and underemployed women ages 18 to 64 each year through their workforce training and placement program. The pandemic brought to light the stark digital divide that is deeply affecting low-income women, who are less likely to be able to afford a personal computer or home internet service. Without these, they can't participate in Grace's remote workforce training program, apply for a job, or work from home during COVID-19. In addition, Grace Institute is the only workforce program in New York City serving



women over 50 years old. Both older and low-income women have the potential to face significant gaps in digital literacy because many didn't experience computers in high school and may not have had a professional job using a computer thereafter. With classes still operating remotely this year, American Securities colleagues donated to support programmatic needs, such as wireless IT support, stipends for technology, and Grace's loaner laptop program.

In November, American Securities raised funds to support WSCAH and cover the cost of a complete Thanksgiving meal for more than 2,000 families in need at a time when food insecurity continues to be a reality for an increasing number of families.



Giving Back Day – Shanghai

In 2021, our colleagues in China partnered with the Shanghai QingCongquan Training Center, which supports the needs of autistic children and their families and is an organization we have volunteered with and supported in the past.



In August 2021, our colleagues in China sponsored a half day tour of a scientific exhibition titled “The Magic School Bus” where participants learned through theme-based interactive experiences. Approximately 70 children and their families joined, with each member of the American Securities team pairing up with one family. Before the tour, our team visited the Changning campus, attended classes, and interacted with the students. Children with autism often have difficulty with verbal expression, but some communicate by writing, using a keyboard, or through art. Before leaving for the day, Ms. Chen Jie, the founder of QingCongquan, gave the American Securities team a painting from one of the students to show appreciation for our support. American Securities provided financial contributions to QingCongquan to fund the event and to support efforts to build a new campus.

Earlier in the summer, in June 2021, four colleagues visited the Changning campus to celebrate Children’s Day. The afternoon began with rearranging the classrooms with different zones for a snack sale. After the students and their families arrived, American Securities helped with the sale of popsicles, wontons, and pancakes and assisted teachers in playing games with the children.

In addition to volunteer days, in early September 2021, the Shanghai team joined the “99 Giving Day” event held by Tencent to donate to two QingCongquan programs. The Tencent Foundation’s campaign is held annually in September, during which time Tencent selectively matches certain donations made by the public via its online platform. American Securities focused its fundraising efforts on two programs:

- The first program raised funds to build a new campus for the 200+ families on the Shanghai QingCongquan waiting list. The current campus in Changning District has 72 children and is at full capacity.
- The second program raised funds to pay for campus operation costs, payroll, and tuition subsidies.



Shanghai QingCongquan Training Center for Children with Special Needs was founded in 2004. It is a non-profit, private organization that provides professional rehabilitation training and coaching to children with autism and their families. Their programs offer professional early-stage rehabilitation training and long-term psychological support to families. They also organize a variety of social welfare and advocacy activities to help autistic children better integrate into society.



Non-Profits We Support

1162 Foundation	Fairfield University	Michigan State University	Seagle Music Colony
A Cure In Our Lifetime	Feeding America	Mount Sinai Hospital	Self-Help International
American Civil Liberties Union Foundation	Find the Cause Breast Cancer Foundation	Movember Foundation	SEO
American Friends of Chicken Shed	Food Bank of Western Massachusetts	Museum of Modern Art	Shanghai QingCongquan Training Center
Amherst College	Friends of Chabad At McGill University	Musicant Family Brain Trust	Shea Theater Arts Center
Art Council	Friends of Independent Schools and Better Education	Myotonic Dystrophy Foundation	Shower Power
Artadia	Fund for a Better Waterfront	Nantucket Historical Association	St. Bartholomew's Episcopal Church (NYC)
Artists Association of Nantucket	Give Liquid Gold	Nantucket Maria Mitchell Association	St. Jude Children's Research Hospital
Atlantic Council	Grace Institute	New Heights Youth	Stanford University
Atlantic Golf Club Educational Fund	Greater Washington Educational Telecommunications Association	New York Cares	Stanford University, Graduate School of Business
Baylor College of Medicine	Greenwich Country Day School	New York City Mission Society	StreetWise Partners
Beat NB Cancer Foundation	Hackley School	New York Public Radio	The Brick Presbyterian Church
Berkeley Heights Parent Teach Organization	HairToStay	No One Left Behind	The Fund for Park Avenue
Bluffton Self Help	Harrison Public Library Foundation	North Carolina Coastal Federation	The Ohio State University
Bone Marrow and Cancer Foundation	Haverford College	Northside Achievement Zone	The Ohio State University's Arthur G. James Cancer Hospital And Richard J. Solove Research Institute
Boston Children's Hospital	Hebrew Union College	Northwell Health	The People's Portfolio
Boston College	Hillel International	NY Common Pantry	The Robert Toigo Foundation
Breast Cancer Research Foundation	Historic Hudson Valley	Ocean Cleanup North Pacific Foundation	Third Option Foundation
Camp Horseability	Hoboken World War Veterans	Ocean Conservancy	Union of Concerned Scientists
Carleton College	Hudson River Community Sailing	Pan Massachusetts Challenge	United Jewish Appeal
Central Park Conservancy	Human Rights Watch	Parrish Art Museum	University Community Social Services
Challenged Athletes	Icahn School of Medicine At Mount Sinai	Phillips Exeter Academy	University of Chicago
Chicken & Egg Pictures	Innocence Project	Planned Parenthood Federation of America	University of Mississippi School of Business
Choate Rosemary Hall	Integrated Refugee & Immigrant Services	Planned Parenthood of Greater New York	University of Pennsylvania
Citymeals-On-Wheels	International Sports & Music Project	Posse Foundation	University of Pennsylvania, Weitzman School of Design
Colorectal Cancer Alliance	J. Wood Platt Caddie Scholarship	Prep for Prep	University of Pennsylvania, Wharton School
Columbia University	Johns Hopkins University	Princeton Theological Seminary	US Olympic & Paralympic Foundation
Commonpoint Queens	K9s For Warriors	Princeton University	Wellness House
Connecticut Food Bank	Ladies Village Improvement Society of East Hampton	Refugee Protection International	West Side Campaign Against Hunger
Cornell University	Landfall Foundation	Regis High School	Westchester Children's Museum
Crohn's & Colitis Foundation of America	Long Beach Reach	Rippowam Cisqua School	White Columns
Dartmouth College	Lower East Side Printshop	Robin Hood Foundation	Wikimedia Foundation
De La Salle Academy	Make-A-Wish	Roundabout Theatre Company	Wildlife Conservation Society
Deerfield Academy	Manhattan Country School	RS Events for Life	Women for Women International
Donors Choose	March Forth for Colon Cancer Prevention	Rye Free Reading Room	Women's Justice Initiative
Duke University	Memorial Sloan-Kettering Cancer Center	Rye Nature Center	Yale University
Durham Academy	Metavivor Research And Support	Saint Joseph Hill Academy	Young Life
Egan Maritime Institute		Saints John And Paul Parish	Young People's Chorus of New York City
Equal Justice Initiative		SCAN-Harbor	



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