



# 2025 Sustainability Report

## MiddleGround Capital

All metrics as of 1/1/2024-12/31/2024 unless otherwise noted



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## Message from Leadership

Business leaders shoulder immense responsibility. And not just the obvious responsibilities—like delivering returns to investors or making sure your employees are taken care of. To me, it also means understanding that your decisions make a lasting impact on the communities you operate in and on the longevity of the planet.

As we release our fourth annual Sustainability Report, I'm proud to share the progress we've made in embedding Sustainability and Environmental, Social, and Governance (ESG) principles across our portfolio.

I started my career on the manufacturing floor and care deeply about improving the lives of hourly workers. I've lived the paycheck-to-paycheck life and seen horrific work conditions. That is why at MiddleGround, whether it's the 600 additional US employees bumped up to \$25/hour wages, or expanded DEI and safety initiatives, these are not "check-the-box" activities—they're investments in people.

In 2024, we took another major step forward by expanding sustainability data tracking and increasing accountability. 100% of our portfolio companies are measuring Scope 1 and 2 emissions with portfolio companies also tracking select Scope 3 emissions categories. In addition, 11 additional sites achieved ISO 14001 certification. And for the first time, we've tied executive compensation directly to sustainability performance, ensuring that leadership teams remain focused on achieving sustainability goals.

This report is a reflection of MiddleGround's culture. It's rooted in empathy, accountability, and an authentic belief that private equity can be a driver of positive, real-world change.

We're not done. In fact, we're just getting started.

### JOHN STEWART

Founder & Managing Partner







## About MGC

At MiddleGround Capital, we believe in leaving everything better than we found it. This guiding principle is foundational to how we invest, operate, and drive long-term value.

As a private equity firm focused on B2B industrial and specialty distribution businesses in the lower middle market across North America and Europe, we use our operational experience to scale impact where it matters most. We make control equity investments in businesses that we believe can benefit from our hands-on partnership, driving value through tailored operational strategies, aligned leadership, and long-term transformation. That same rigor and intentionality guide our Sustainability and Environmental, Social, and Governance (ESG) strategy.

We are not pursuing sustainability for the sake of trend — but because we recognize that as a business leader, we have a responsibility to our employees and the world to run our operations with a sustainable and ethical mindset. Our commitment is built around five strategic sustainability goals:

- Enhance Stewardship: Driving sustainability performance through targeted initiatives, frameworks, and long-term strategies across the portfolio.
- Lead from the Front: Leveraging technology and best practices to position the Middle Market as a leader in sustainability innovation.
- Sustainability Without Sacrifice: Embedding sustainability into core investment processes to create value without compromise.
- Best in Class Governance: Standardizing sustainability policies and integrating them into management systems to ensure accountability and transparency.
- Build a Culture of Sustainability: Advancing firmwide sustainability engagement through training, performance alignment, and community involvement.

In this report, we share highlights from the last year, including the initiatives, partnerships, and measurable outcomes that demonstrate our continued evolution as both an investor and a responsible steward of capital. As our firm continues to scale, we remain committed to embedding sustainability into the investment lifecycle and using our platform to lead from the front.



## MGC At a Glance

\$4.1B

AUM

20

Portfolio Companies

\$783M

Gross Capital  
Returned

29

Portfolio Operating  
Countries

\$1.5B

Completed Co-Invest

\$3B

Capital Deployed

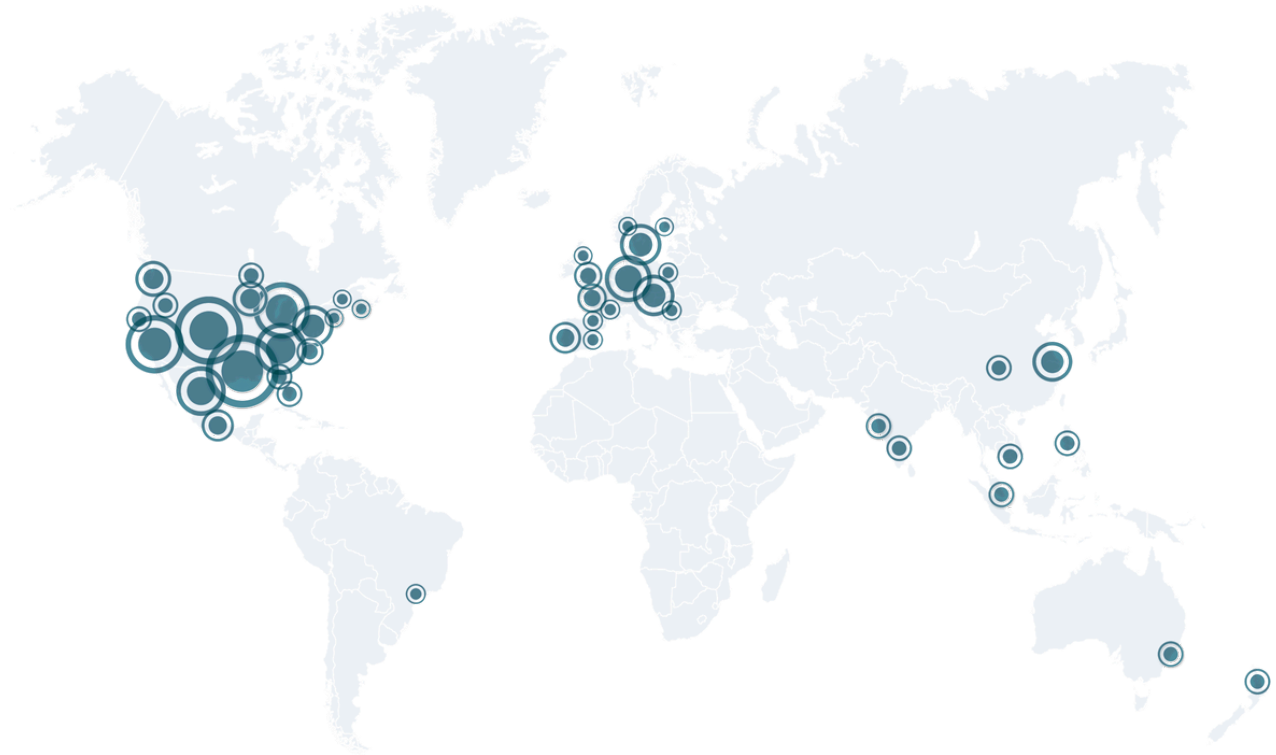
3

Office Locations:  
Kentucky, NYC, Amsterdam

221

Portfolio Operating  
Facilities

## PORTFOLIO FOOTPRINT



I believe it's essential for business leaders to consider the wider impacts of the way they run their businesses. At MiddleGround, we lead with empathy for our workforce, compassion for our communities, and consideration for the environment.

**Scot Duncan**

Partner, Chief Operating Officer





## Our Sustainability Journey

### 2019

Sustainability and taking care of people are core values at MiddleGround. ESG policies were established to document these values.

### 2021

MiddleGround submitted its first voluntary report to the UNPRI. The portfolio metrics were set up in dashboards to promote real time use and transparency of sustainability data.

### 2023

A portfolio wide safety program was developed and deployed to portfolio companies. The team published the first annual sustainability report. MiddleGround formalized carbon footprint calculations by partnering with Gravity Climate.

### 2020

Sustainability was formally added to MGC's Hoshin planning process with an action plan established at both the firm and portfolio level. An ESG Committee was established with a cross functional team. Sustainability KPIs were established and portfolio companies began tracking these. MiddleGround became the first sub-billion dollar Industrial Buyout Principles for Responsible Investing signatory.

### 2022

ESG team established with ESG Director, Vice President, and Analyst. The team developed a 5-year sustainability strategy.

MiddleGround strengthened sustainability diligence practices by standardizing sustainability processes and engaging with Malk Partners.

### 2024

MiddleGround aligned new Funds with the EU's SFDR Article 8 classification. A standardized sustainability target-setting process was implemented across portfolio companies, and sustainability KPIs were incorporated into executive compensation. Sustainability training was delivered to all transaction team members. Energy procurement was evaluated across several U.S. facilities, generating cost savings and helping avoid anticipated price increases.

### 2025

MiddleGround expanded its portfolio-wide safety program with enhanced hazard recognition tools and auditing. Decarbonization planning was launched at select portfolio companies, and internal sustainability training was further refined. The firm is building on its existing sustainability foundation to strengthen the connection between sustainability performance and value creation.



# Sustainability at MGC

In 2024, as environmental and social degradation continue to rise, we remain committed to prioritizing sustainability. Our leadership has long believed that business leaders—not governments—hold the power to drive meaningful change. With that conviction, we have proactively implemented meaningful sustainability initiatives, rather than waiting for regulatory mandates or pushing our portfolio companies to adopt measures solely for fundraising purposes.

At MiddleGround, we remain committed to responsible investing. As a signatory to the UN Principles for Responsible Investment (UNPRI), we continue to integrate sustainability considerations into our ownership practices and investment decisions. This commitment is reinforced by regular reporting requirements that hold us accountable. Beyond sustainability metrics, we’ve remained focused on fostering an employee-first culture, reflected in our continued recognition as a Best Place to Work in Kentucky.

Across our portfolio, we’ve continued to advance initiatives focused on employee satisfaction and sustainable business practices. Two key drivers of employee satisfaction are safety and compensation. We’re proud to report that our portfolio’s Total Recordable Incident Rate (TRIR) remains below the industry average at 2.22, and nearly 600 U.S.-based employees have received wage increases to \$25 per hour.

On the environmental front, we’ve deepened our partnership with Gravity Climate to prioritize carbon emissions measurement. Today, 100% of our portfolio companies are measuring Scope 1 and 2 emissions. Additionally, 11 more companies have achieved ISO 14001 certification, establishing a framework for continuous improvement in minimizing environmental impact.

<sup>1</sup>1st Sub-billion dollar signatory to UNPRI in Industrials as of June 2020.  
<sup>2</sup>2\*\* Awarded by the **Kentucky Chamber of Commerce** in 2019, 2020, 2021, 2022, 2023, and 2024, each award is based on employee surveys evaluating the prior calendar year.  
<sup>3</sup>3\*\*\* Based on internal employee satisfaction survey results evaluating August 2023 to July 2024, 76% of questions rated 4 or higher on a scale of 1-5.  
<sup>4</sup>4\*\*\*\*Awarded by **Bluwave** in 2021, 2022, 2023, and 2024, based on prior calendar year's performance.

## → INTERNAL

1st

Sub-billion dollar signatory to UNPRI in Industrials\*

6

Consecutive years named in the Top 20 Best Places to Work (KY)\*\*

76%

of Employee Satisfaction Survey Rated 4+ out of 5\*\*\*

33%

Female Workforce

4

Consecutive years named BlueWave Top Private Equity Innovator\*\*\*\*

## → PORTFOLIO

100%

Portfolio Companies tracking carbon (Scope 1 & 2)

2.22

Consolidated Portfolio TRIR

11

New Portfolio ISO14001 Certifications

596

US Portfolio Employees increased to \$25/Hr





## Our Approach

**B** micromag 20



## MGC Philanthropy



\$1.74M 44 1776

Donated Across  
the Organization

Organizations Supported  
by Charitable Foundation

Hours Volunteered

### BUILDING A GIVING CULTURE

It's commonly said that "culture starts from the top" and at MiddleGround, we believe in leading by example at the firm level, not just mandating sustainability changes in our portfolio.

From our inception, we've been a community oriented firm. We were established in Lexington, KY so our founders could bring high value jobs to their hometown, and we've continued to prioritize investing resources in the communities in which we operate.

In 2023, we established the MiddleGround Capital Charitable Foundation. In 2024, we donated a total of \$1.74M across 44 organizations, with the Jack Harlow Foundation, Backside Learning Center, and the Bluegrass Community Foundation being the primary beneficiaries.

These funds were distributed through several avenues: employee matching, direct donations, and volunteer hour donation matching. This approach allowed us to select causes as a firm, prioritizing local organizations, while also supporting the causes our employees hold dear.



## MGC Awards

At MiddleGround, one of the core pillars of our culture is an unwavering commitment to our principles. We stand by our bids, follow through on our promises, and remain grounded in our values. As owners, we recognize our responsibility to deliver strong returns—but we also understand our duty to the communities we operate in and the environments we affect.

That's why we're committed to pushing the boundaries of what responsible ownership can achieve. MiddleGround has been repeatedly recognized by industry bodies for our leadership in sustainable investing, while our portfolio companies continue to set the standard for innovation in carbon reduction, social impact, and governance transparency.

By embedding sustainability into the investment lifecycle we create measurable progress and unlock long-term value. Looking ahead, we will continue to lead by example, working with our partners to raise the bar for sustainability excellence across the private equity landscape.



“My wife is a Conservation Biologist, so it goes without saying that sustainability values are near and dear to me. Our unwavering commitment to sustainability, whether that's shifting to renewable energy or emphasizing DEI in hiring, brings me great pride... and the continued recognition we receive in the industry doesn't hurt either.

### Justin Steil

Partner, Co-Head of NA  
Transaction Team

### MIDDLEGROUND AWARDS

- Oct 2024: Canopy - Kentucky's Top Impact Company, based on prior year performance
- Mar 2024: Kentucky Chamber of Commerce – Best Places to Work in Kentucky, based on prior calendar year performance
- Feb 2024: PrivateEquityCXO & Falcon Top 50 PE Firm for Executives, based on prior year performance
- Mar 2024: Great Place To Work-Certified Companies, based on prior year performance
- Mar 2024: Finalist: ESG Investing Awards: Best ESG Investment Fund: Private Equity, no specified time period
- Nov 2024: BluWave Private Equity Innovator, based on prior calendar year performance



### AWARDS ACROSS THE PORTFOLIO

#### Xtrac

- The Business Magazine, Thames Valley 250 Awards 2024 - Employer of the year
- Best Practice Institute in September 2024 - Most Loved Workplace
- Newsweek - Top 100 UK's Most Loved Workplaces
- Education Business Partnership - Outstanding Work Experience Program
- Princess Royal Training Award

#### SixAxis

- Fabricators & Manufacturers Association - FMA Safety Award of Merit

#### Mantle Precision

- SME Additive Manufacturing Start-Up Technology Award





## Diversity Equity and Inclusion

### AT MIDDLEGROUND, DEI IS HERE TO STAY

For us, DEI isn't a trend—it's a core principle that fuels long-term value creation across our portfolio. Despite political pressure and shifting public discourse, we remain committed to diversity, equity, and inclusion. We champion inclusive hiring and advancement practices at our firm, benchmark our portfolio company employee base to community composition, and empower Employee Resource Groups that amplify the voices of underrepresented individuals.

With female representation in leadership roles, robust reporting practices, and by celebrating milestones at every level, we ensure that our dedication to building equitable workplaces is both visible and tangible.

### EMPOWERING WOMEN IN PRIVATE EQUITY

Despite growing awareness, gender imbalance remains a challenge in private equity. While women account for nearly half of entry-level hires,

representation drops sharply at the leadership level—just 20%\* hold Managing Director titles, and that figure falls to 15%\* in investing roles.

At MiddleGround, we've made gender diversity a priority. Today, 43% of our Partnership is gender-diverse, well above industry averages. This isn't a box-checking exercise. It's the result of intentional effort and cultural investment.

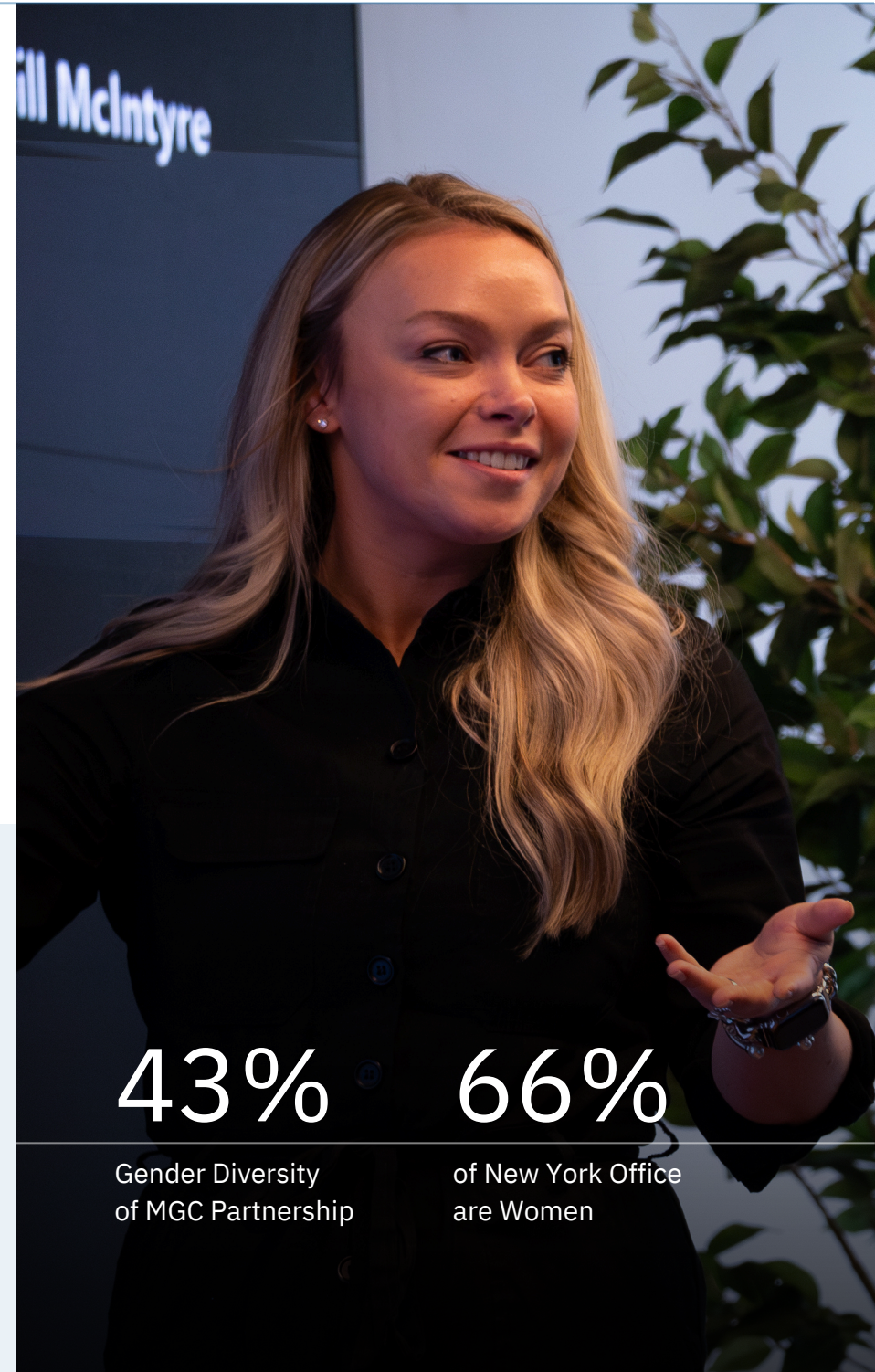
We're also proud of our employee-led Women's Wing that creates space for growth, mentorship, and connection. In 2024, Women's Wing hosted events ranging from emotional intelligence workshops to women's health sessions and team-building social events. Women's Wing impact also extends beyond our walls, their charitable initiatives raised over \$2,000 in support of organizations like Elizabeth's Village, which provides safe housing and resources for survivors of domestic violence.



We're building a culture where women are not the exception at the table, but a driving force behind it. This isn't achieved through passive ideals but through intentional and consistent reinforcement of our female talent.

#### Christen Paras

Partner, Co-Head of NA  
Transaction Team



# 43%

Gender Diversity  
of MGC Partnership

# 66%

of New York Office  
are Women





## Stewardship

### **SUSTAINABILITY FROM DILIGENCE TO EXIT**

The successful integration of sustainability practices requires more than installing some recycling bins - it requires full adoption of sustainability into the cultural fabric of a company. MiddleGround's in-house ESG team is committed to embedding sustainability practices from diligence and onboarding through to exit.

During our hold period, we work to build ethical, resilient, and sustainable businesses by implementing initiatives that drive long-term value, both financially and environmentally. These efforts are not only strategic but fundamental to how we operate.

As a further commitment to remaining accountable to our sustainability standards, environmental and sustainability assessments are embedded in our investment process.

Since our inception, sustainability has been a core consideration in our business decisions and will continue to be as we scale.



# Integrating Sustainability into Our Portfolio

## Diligence

### → PRE-LOI

- MGC Team assesses baseline sustainability KPI data
- Identify material sustainability factors for deep dive
- Screen for SFDR E/S Characteristics
- Present findings to IC

### → POST-LOI

- Third party deep dive review of sustainability materials
- Interviews w/management team
- Identify risks and opportunities
- Outline Sustainability 5-year hold plan w/transaction team
- Present findings to IC

## On Boarding

### → CLOSE + 30 DAYS

- Management team general introduction to sustainability
- Establish key contacts for reporting
- Review diligence findings with management team

### → CLOSE + 90 DAYS

- Establish ESG Committee
- Onboard to data reporting platform
- Educate on governance expectations
- Review and finalize sustainability 5-year plan

## Integration Cycle

## Exit

### → EXIT PREPAREDNESS

- Accurately represent relevant sustainability practices
- Verify and report relevant sustainability data
- Incorporate relevant sustainability information into CIM/MP
- Close out any outstanding environmental remediation, as necessary

## Hold Period

### → POST ON BOARDING

- Sustainability incorporation into annual goal setting process
- Regular reporting of KPIs to Operations
- ESG Committee reporting
- BOD reporting
- Annual sustainability KPI target setting
- Incorporate company activities into MGC sustainability report



As an ESG leader, I know firsthand what true adoption of sustainability ideals looks like versus “checking the box”. Because sustainability is baked into the deal cycle, we’ve been able to encourage portfolio leaders not just to meet sustainability targets, but aim to exceed them.

**Madelyn Tutewiler**

Director, ESG & Marketing



# Sustainable Development

## CONTRIBUTING THE TO THE SUSTAINABLE DEVELOPMENT GOALS

At MiddleGround Capital, aligning sustainability initiatives with the United Nations Sustainable Development Goals (SDGs) is central to our stewardship philosophy.

For our SFDR-aligned funds, SDGs are formally mapped to our Environmental and Social Characteristics. For all other funds, we apply our proprietary SDG business mapping framework internally to guide sustainability integration. This ensures that each portfolio company sets measurable, time-bound targets that contribute to relevant SDG indicators, such as decent work and economic growth (SDG 8), gender equality (SDG 5), and climate action (SDG 13).

Through initiatives like the Level Up Safety Program, carbon footprint tracking, and our \$25/25 wage commitment, we translate global sustainability goals into tangible operational improvements. This approach not only enhances portfolio resilience but also reinforces our core value: to leave everything better than we found it.

## SUSTAINABLE DEVELOPMENT GOALS







## Key Focus Areas





As an investment leader, I'm driven by creating value for our investors, but I've learned that it's not just about the bottom line - it's about finding ways you can meet financial goals without sacrificing your values.

### Ryan McComb

Managing Director,  
Transaction Team

## Energy

### COST SAVINGS WITH DEREGULATED ENERGY MARKETS

Over the past year, our portfolio companies have utilized deregulated energy markets to strategically source electricity & natural gas at lower costs. Building on that progress, we've launched pilot programs that offset peak-period energy costs by using real-time load shifting to earn capacity payments, further strengthening our approach to energy efficiency.

By capitalizing on opportunities in the deregulated energy market and innovative demand-side management, we're turning cost containment into a catalyst for clean-energy investment by integrating renewable energy where possible, demonstrating that sustainability and profitability can go hand-in-hand.

### DECARBONIZATION WITH GRAVITY CLIMATE

We are proud to support decarbonization across our portfolio in partnership with Gravity Climate. By combining their expertise in emissions measurement, scenario modeling, and project finance with our operational scale, we help businesses identify practical and cost-effective strategies. These include HVAC upgrades, waste heat recovery, LED retrofits, and demand response programs.

We also develop tailored decarbonization roadmaps that balance ambition with feasibility. Using Gravity's analytics, we prioritize high-impact initiatives and take advantage of available incentives. This collaboration helps our companies reduce emissions while capturing operational savings, reinforcing our commitment to sustainable growth and long-term value creation.

# 113M

kWh Renewable Energy  
consumed across PCs

# 2

100% Green electricity  
contracts via RECs  
(Alco & ATL)

# 1.2M

Tons of Carbon  
Emissions  
Avoidance

# 21

Contracts Renegotiated  
(7 Electricity / 14  
Natural Gas)





## Incorporating Our Core Values

### INTERNAL FIRM TRAINING

Last year, our team conducted firmwide sustainability training for all investment-facing employees, going beyond the onboarding process for new hires. The training covered current sustainability trends in private equity, MiddleGround's specific ESG policy and processes, regulatory requirements, sustainability considerations during diligence, integration of sustainability into day-to-day portfolio activities, and common issues observed across the portfolio. Refresher trainings are being developed and will be offered annually. These refreshers will ensure that employees are updated on current and emerging trends, new fund requirements, and any updates to our ESG policy.

### REMUNERATION

This year marks a major step forward in our sustainability journey. For the first time, we have linked executive compensation to sustainability performance. By embedding key environmental, social, and governance metrics such as turnover benchmarks and safety incident rates into bonus and long-term incentive plans, we have aligned leadership incentives with our broader sustainability goals. This structure ensures that executives are rewarded not only for financial outcomes but also for meaningful progress on sustainability priorities. Early results show stronger accountability, greater focus on high-impact initiatives, and deeper integration of sustainability into daily decision-making. This reinforces sustainability as a central driver of value creation across our portfolio.



Linking executive compensation to sustainability performance reinforces that sustainability isn't a side initiative—it's a core driver of value. Combined with ongoing training, this alignment ensures our teams are both empowered and incentivized to make sustainability considerations a daily priority.

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**Kelly Myers**

Managing Director, Operations Team





## Portfolio Case Studies





## DETAILS

**Investment Date:**  
September 2021

**Sector:**  
Building Products

**Headquarters:**  
Archbold, OH

**Footprint:**  
6 facilities across  
US & Canada

**Fund:**  
Fund I

## RESOURCE EFFICIENCY & WASTE REDUCTION

In Q1 2024, the organization completed a full LED lighting transition across 400,000 sq ft of facility space, significantly reducing energy consumption while improving lighting quality. At the Bryan site, a new pallet recycling program was launched—unused pallets are now collected, repaired, and reintroduced into circulation by the supplier, diverting waste from landfills. Additionally, the Archbold facility optimized its waste pickup schedule by shifting from weekly pickups to an on-call system, reducing unnecessary hauls and aligning service with actual container usage.

## SAFETY - ERGONOMICS

To reduce injury risk and improve employee well-being, two key ergonomic upgrades were implemented. In Q1, pneumatically controlled pallet levelers were introduced, allowing heavy boxes (up to 75 lbs) to be stacked at optimal working height, minimizing strain from repetitive lifting. In Q2, the layout of key operations was reconfigured to eliminate oversized boxes and improve part handling. Conveyance systems were added to stamping presses to raise/lower part retrieval points, and all box sizes over 65 lbs were eliminated by redesigning packaging. These changes support a safer, more efficient work environment.

**~60%**  
Fewer Waste Pickups from  
Initiatives at Arrow Tru-Line



**\$228k**

Annual savings from Plasman  
Paint Line Optimizations



## DETAILS

**Investment Date:**  
October 2021

**Sector:**  
Automotive

**Headquarters:**  
Oldcastle, ON

**Footprint:**  
24 facilities  
across 9 countries

**Fund:**  
Fund I/Mobility  
Opportunity Fund

## PAINT LINE OPTIMIZATION

Tilbury Manufacturing integrated a newer, more efficient Programmable Logic Controller (PLC). This industrial computer control system continuously monitors the state of input devices and makes decisions based on a custom program to control the state of output devices. This new controller allows us to reduce the gap in the paint line during a single-color change from 32 to 27 feet and 56 to 45 feet for double color changes, resulting in an annual savings of \$78,453 USD.

As part of our energy-saving initiatives, Raufoss Manufacturing installed an additional robot in the paint line, saving 130 hours annually and transitioning from hand painting to robotic painting. This upgrade has also reduced the frequency of filter changes, improving efficiency. Similarly, at Tecumseh Manufacturing, we optimized the A-line by replacing spray guns to accommodate different materials. This change resulted in \$150,000 USD in annual paint savings, reduced overspray, and minimized waste, aligning with our commitment to sustainability and operational efficiency.



# 96 tons

Annual scrap diverted from landfill



## SCRAP & WASTE

In Q3 2024, improvements to scrap separation and processing significantly reduced waste and increased material value. Punch slugs that were previously landfilled are now collected—averaging 8 tons per month—and sold as scrap steel, contributing to an estimated 15–18% reduction in landfilled waste. Additionally, all scrap is now cut to 4 feet or less, qualifying for prepared pricing and boosting overall scrap value by 15%.

## INNOVATION IN SAFETY & AUTOMATION

As a structural steel beam manufacturer, Attala Steel identified manual operations as a significant safety concern—particularly in the punch department, where many work-related injuries occur. To address ergonomic risks and reduce exposure to pinch points, the company introduced a motorized C-channel roller. This solution allows operators to flip heavy beams with less physical effort and a lower risk of hand injuries. In parallel, the Attala team continues to explore alternative de-stacking methods to further enhance ergonomics and minimize injury risks in this area.



ATTALA STEEL  
INDUSTRIES

### DETAILS

**Investment Date:**  
December 2020

**Sector:**  
Infrastructure

**Headquarters:**  
Kosciusko, MS

**Footprint:**  
2 facilities in  
North America

**Fund:**  
Fund I

## FIA CERTIFICATION

Last year Xtrac was awarded the FIA Two-Star Environmental Accreditation. The FIA Environmental Accreditation Programme, which was launched in 2011, is aimed at helping motor sport and mobility stakeholders worldwide to measure and enhance their environmental performance with a three-level framework against which to accredit their activities.

The accreditation measured the company's performance across a range of 17 criteria ranging from energy use and supply chain management, to transport planning, noise management and carbon emissions.

The FIA Formula One World Championship was first awarded the accreditation in 2020 and since then many of the key stakeholders within the sport, including teams, race promoters, and host circuits, have embarked on their own journeys to achieve FIA Three-Star Environmental Accreditation and, come October 2025, Xtrac will commence their journey to obtain this next level of accreditation before pursuing ISO14001. Achieving Three-Star accreditation will demonstrate Xtrac's best practice and commitment to seeking continual improvement with how the company manages their environmental impact. In pursuit of the next level of FIA accreditation and building a culture of sustainability, Xtrac increased the number of onsite EV charging points alongside promoting their company EV scheme for employees that successfully completed their new job review.



### DETAILS

**Investment Date:**  
July 2023

**Sector:**  
Automotive

**Headquarters:**  
Thatcham, UK

**Footprint:**  
3 facilities across the  
US & UK

**Fund:**  
Fund II / Mobile  
Opportunity Fund

# 22

EV Charging  
Stations Installed







## A. M. Castle & Co.

### DETAILS

**Investment Date:**  
May 2023

**Sector:**  
Metal Processing &  
Distribution

**Headquarters:**  
Carol Stream, IL

**Footprint:**  
32 facilities  
across 9  
countries

**Fund:**  
Carbon CV

### WORKPLACE SAFETY

In 2024, several key programs were launched to strengthen workplace safety at Castle, contributing to a TRIR of 1.87 and DART of 1.68, reflecting a clear ongoing commitment to safety and continuous improvement. A cross-functional Hand & Finger Task Force was created to address laceration risks, resulting in standardized PPE policies, enhanced no-touch tools, and targeted training campaigns. A Global EHS Leading Indicator Program was rolled out to drive proactive engagement across all facilities, with monthly audits, training, and STOP observations tracked through a performance scorecard. Additionally, an EHS Analytics Executive Steering Committee was established to review incident trends, share lessons learned, and ensure accountability for corrective actions.

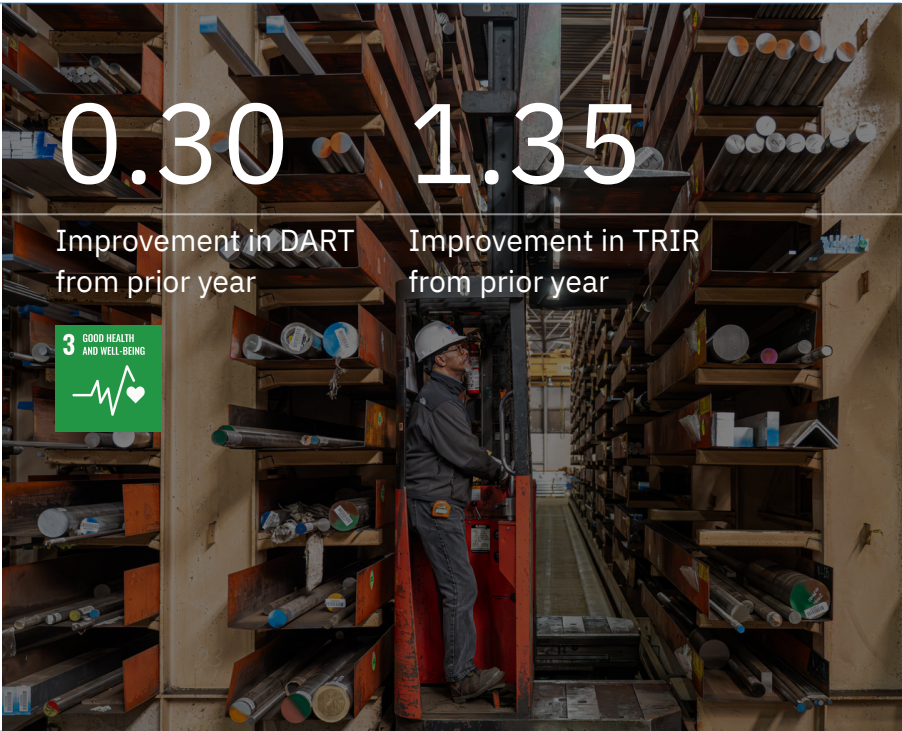
0.30

Improvement in DART  
from prior year



1.35

Improvement in TRIR  
from prior year



44.6%

Reduction in Hazardous Waste  
Transportation and Treatment



## STEELCRAFT

### DETAILS

**Investment Date:**  
May 2019

**Sector:**  
Metal Fabrication,  
Welding, Stamping,  
Painting/Coating

**Headquarters:**  
Hartford, WI

**Footprint:**  
4 facilities in  
Wisconsin

**Fund:**  
Fund I

### HAZARDOUS WASTE

In Q4 2024, targeted initiatives were implemented to reduce hazardous waste generation and improve chemical management. These included the use of puncture units to safely drain spray cans, employee training to minimize paint waste, and improved paint color changeover practices. Chemical inventory controls were also enhanced to prevent excess and expired materials. As a result, hazardous waste transportation and treatment costs were reduced by 44.6%, saving over \$38,000. Additionally, the facility's regulatory classification was successfully downgraded from a large quantity generator to a small quantity generator, reflecting the significant reduction in hazardous waste output.



# 80%

Increase in Core  
ESG Policies



## EMPLOYEE ENGAGEMENT

To boost engagement, morale, and transparency, Mantel Precision has launched regular employee-facing communications—such as luncheons, town halls, and executive meetings. These efforts were part of a broader initiative to build a more accountable culture, supported by the development and rollout of core governance policies that formalize leadership communication and workplace expectations. Leadership also introduced holiday events and Employee Appreciation Lunches, where an Employee of the Quarter is recognized for outstanding contributions.

## DETAILS

**Investment Date:**  
January 2023

**Sector:**  
Precision Machining

**Headquarters:**  
Quebec City, Quebec

**Footprint:**  
2 facilities in North America

**Fund:**  
Fund II



## DETAILS

**Investment Date:**  
February 2023

**Sector:**  
Injection Molding

**Headquarters:**  
Hopkins, MN

**Footprint:**  
4 facilities in North America

**Fund:**  
Fund I/Mobility Opportunity Fund

## ENERGY EFFICIENCY & COST REDUCTION

A series of targeted upgrades across multiple facilities significantly improved energy efficiency and reduced operational costs. In Q2, screw-driven air compressors were installed, replacing older piston units and delivering a 15% annual energy savings and over \$5,000 in savings within the first three months. In Q4, motion sensors were added to dining and restroom areas, cutting energy use in those spaces by 15–30% and saving over \$14,000. Office HVAC systems were also upgraded from a 10-ton ducted unit to four energy-efficient mini-splits, reducing energy use by 25% and achieving a three-month ROI. Additionally, capacitor banks were installed at the Queretaro facility to correct power factors, eliminating regulatory penalties and generating nearly \$134,000 in savings, with the power factor now averaging 99%.

# 99%

Average Power Factor  
following Capacitor  
Bank Install



# 25%

Energy Usage  
Reduction from HVAC  
Upgrade







## DETAILS

**Investment Date:**  
November 2021

**Sector:**  
Industrials

**Headquarters:**  
Canal Fulton, OH

**Footprint:**  
8 facilities located in  
OH, CO, FL, NC, and SC

**Fund:**  
Fund II

## CARBON CURE EXPANSION

Lindsay Precast expanded the usage of their CarbonCure mix to 5 facilities and are working to expand to 2 additional facilities in 2025. Additionally, they've established CarbonCure-specific KPIs and began reporting volume of CarbonCure poured by plant and cost savings from CarbonCure concrete applications. In 2025, Lindsay Precast has utilized CarbonCure in 33% of all yards of concrete poured for a total YTD savings of \$68,405.

## ISO14001 IMPLEMENTATION

Lindsay Precast dedicated a significant amount of time in 2024 towards pursuing their first two ISO14001 certifications at their Dutchland and Franklinton facilities. The programmatic improvements implemented to meet the necessary standards to achieve certification will result in reduced waste generation, improved recycling of waste, increased environmental awareness and improved compliance with local, state, and federal agencies.

# 10%

Increase in  
Near-Miss Reporting



## POWERED INDUSTRIAL VEHICLES

Following a near-miss incident, MiddleGround Capital launched a cross-portfolio taskforce to address risks associated with powered industrial vehicles (PIVs). In partnership with Plasman, Shiloh developed and implemented a comprehensive PIV Safety Improvement Plan. The team conducted a detailed assessment of 298 industrial vehicles across 29 locations, evaluating 2,194 safety checkpoints across 12 plant-control and 11 equipment-related risk categories. This effort identified 515 non-compliance items or improvement opportunities, driving enhanced safety protocols, operator training, and risk mitigation strategies across the organization.

To compliment the rollout of the PIV Safety Improvement Plan, Shiloh implemented new Near Miss Reporting and Hazard Recognition Programs, updated requirements for their Production System Safety Pillars and established 2025 Safety Action Plans across all sites. As a result, the organization has seen a 10% increase in UAUC reporting, an 8% increase in Safety Gemba reporting, and a 41% decrease in their TRIR since implementation of the updated procedures.

## DETAILS

**Investment Date:**  
November 2020

**Sector:**  
Automotive

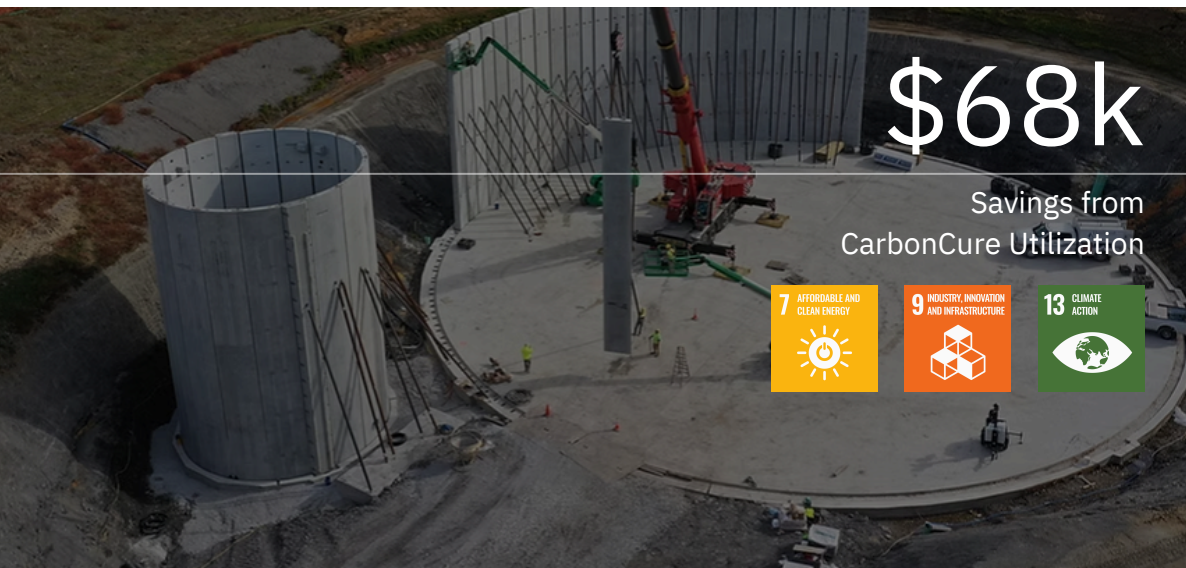
**Headquarters:**  
Valley City, OH

**Footprint:**  
25 facilities worldwide

**Fund:**  
Fund I/Mobility  
Opportunity Fund

# \$68k

Savings from  
CarbonCure Utilization

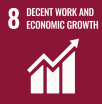






76%

Participation in Annual  
Employee Engagement Survey



new eagle

DETAILS

**Investment Date:**  
November 2021

**Sector:**  
Automotive

**Headquarters:**  
Auburn Hills, MI

**Footprint:**  
3 facilities  
worldwide

**Fund:**  
Fund II / Mobility  
Opportunity Fund

EMPLOYEE ENGAGEMENT

In 2024, New Eagle made significant strides in enhancing employee engagement by focusing on career development, open communication, and fostering an inclusive culture. The launch of a Global Career Ladder established clear and transparent pathways for career progression in all departments, providing employees with greater motivation and clarity about their future within the company.

Complementing career growth efforts, New Eagle introduced Monthly Town Halls, creating a regular forum for leadership updates, peer recognition, project highlights, and live Q&A sessions. The effects of these gatherings are reflected in the positive feedback from the company's annual Employee Engagement Survey, which achieved a 76% response rate. Employees expressed pride in New Eagle's commitment to quality, continuous improvement, and open communication. These engagement efforts have contributed to tangible progress in retention and diversity. The company's turnover rate improved to 9%, a 2% reduction from the prior year, while gender representation increased to 16%, reflecting a more inclusive workforce. Further reinforcing its commitment to equitable treatment, New Eagle became the first portfolio company to achieve a \$25/hour minimum wage.



DETAILS

**Investment Date:**  
November 2021

**Sector:**  
Automotive

**Headquarters:**  
Mentor, OH

**Footprint:**  
20 facilities  
worldwide

**Fund:**  
Fund II

TECHNOLOGICAL INNOVATION  
DRIVING SAFETY & SUSTAINABILITY

Race Winning Brand's adoption of drone technology marks a significant advancement in safety, sustainability, and facility performance. By capturing real-time, high-resolution imagery and data, drones enhance infrastructure monitoring, support more thorough incident investigations, and strengthen predictive maintenance programs. This reduces the need for manual inspections in hazardous or hard-to-reach areas and supports a proactive approach to safety risk management. Since acquisition, the company has improved its Total Recordable Incident Rate (TRIR) by 3.17, reflecting the impact of these and other safety initiatives.

Drones also improve environmental oversight by detecting changes in emissions, runoff, and erosion, enabling earlier interventions and stronger regulatory compliance. These insights support measurable progress in energy efficiency, biodiversity protection, and waste reduction.

In severe weather events, drones provide rapid assessments of structural conditions and potential hazards, enhancing the company's Emergency Response Plan and overall resilience.



3.17

Improvement in TRIR  
from acquisition







DETAILS

**Investment Date:**  
July 2022

**Sector:**  
Flow Control  
Distribution

**Headquarters:**  
Houston, TX

**Footprint:**  
30 facilities worldwide

**Fund:**  
Fund II

BUILDING A CULTURE OF SAFETY & SUSTAINABILITY

As an early adopter of MiddleGround’s Level-Up Safety Initiative, Vytl Controls Group leveraged its in-house expertise to conduct site safety audits across 29 locations, identifying over 1,000 action items and creating corrective action plans to rectify non-conformities. By addressing these items and completing secondary follow-up audits, the team has maintained their industry-leading safety performance and achieved 1 million consecutive man-hours without an LTA and recorded a 2024 TRIR of 0.28, an exemplification of the company’s commitment to creating a true safety culture.

Continuing to build upon their successes conducting facility audits, Vytl brought together its HSE and Green Teams to drive broader sustainability impact. This collaboration led to the identification of energy and waste reduction opportunities, the development of a dashboard to track and share best practices, the adoption of company-wide safety stand-downs, and a continued emphasis on leading indicators, near-miss reporting, ongoing training, and safety leadership.

+1M

Consecutive hours worked without a Lost Time Accident



15.8%

Increase in Employee Engagement Survey participation



DETAILS

**Investment Date:**  
September 2022

**Sector:**  
Bicycle Parts and  
Accessories Distribution

**Headquarters:**  
Quebec City, Quebec

**Footprint:**  
4 Facilities in N. America

**Fund:**  
Fund II

STRENGTHENING SAFETY & EMPLOYEE ENGAGEMENT

HLC brought heightened attention to safety in 2024, with renewed focus on strengthening processes, accountability, and training across the organization. Comprehensive safety audits identified opportunities to enhance training resources, improve reporting processes, and increase overall engagement and awareness. In response, new supervisor training was rolled out and executive oversight of safety performance was expanded alongside a restructured near-miss reporting process. Monthly safety committees were established to encourage proactive identification of risks and ensure consistent communication and ownership at all levels. As a result, no incidents occurred in 2024.

HLC continued their commitment to improving employee engagement, reemphasizing the importance of an inclusive, transparent, and supportive work environment. Action items developed from HLC’s first employee engagement survey included the launch of quarterly townhalls, continued investment in wage progression, and targeted efforts to increase the screening of diverse candidates. The company saw a 16% improvement in survey participation, decreased turnover, and a notable increase in qualified women in candidate pools for leadership roles.





## OPTIMIZING WATER USAGE IN POWDER COATING OPERATIONS

SixAxis operates two powder coating wash lines, each supported by a pair of 500-gallon freshwater batch holding tanks. These tanks facilitate the pre-treatment wash process, which is essential for removing surface imperfections prior to powder coating. Insufficient washing can result in visual defects and non-conformities in the finished product.

Historically, preventive maintenance procedures required weekly draining of the batch tanks. However, the SixAxis team explored opportunities to reduce water usage through enhanced pH testing and monitoring.

This initiative revealed that weekly tank dumps were not necessary. Testing confirmed that the tanks could be maintained effectively with monthly dumps, without compromising product quality or compliance standards.

This improvement is expected to conserve approximately 8,000 gallons of water per month, reduce operational costs by \$6,000 annually, and repurpose 12 labor hours per month previously spent on weekly cleanings, demonstrating both environmental and operational efficiency gains.

### DETAILS

**Investment Date:**  
November 2022

**Sector:**  
Worker Safety /  
Access Solutions

**Headquarters:**  
Andrews, SC

**Footprint:**  
2 Facilities in  
North America

**Fund:**  
Fund II

# 8,000

Gallons of water saved  
per month



# 65M 64K

Pounds of Metal  
Products  
Recycled Annually

kWh of Reduced Energy  
Consumption Annually  
from Compressor Upgrades



## COMPRESSOR UPGRADES

In Q1 2024, the Elyria facility replaced its aging fixed-speed air compressor with a high-efficiency variable-speed drive (VSD) model, improving energy efficiency by 30–40%. The new system, composed of four 50HP units, replaced three larger compressors and is estimated to reduce energy consumption by approximately 64,000 kWh annually. The VSD compressor also reduces greenhouse gas emissions and noise pollution by adjusting output based on demand. Complementing this upgrade, the facility implemented shutdown procedures for idle equipment, further minimizing unnecessary energy draw and supporting operational sustainability.

### DETAILS

**Investment Date:**  
November 2020

**Sector:**  
Automotive

**Headquarters:**  
Valley City, OH

**Footprint:**  
25 facilities worldwide

**Fund:**  
Fund I/Mobility  
Opportunity Fund





# New Acquisitions





## DETAILS

**Investment Date:**

March 2024

**Sector:**

Engineering  
Services

**Headquarters:**

Valencia, Spain

**Footprint:**

5 Facilities Across  
5 Countries

**Fund:**

Fund II / MOF

### ABOUT IT8

Founded in 2004, IT8 offers mechanical, electrical, and programming engineering services, as well as construction services, primarily in the automotive and warehouse automation end markets.

### PRE-ACQUISITION NOTABLE SUSTAINABILITY ITEMS

- Conducts exit interviews to gauge workforce sentiment and inform competitive wage benchmarks
- Sustains a strong engagement program through a continuous performance review process and healthy habits campaign

### PLANNED SUSTAINABILITY INITIATIVES

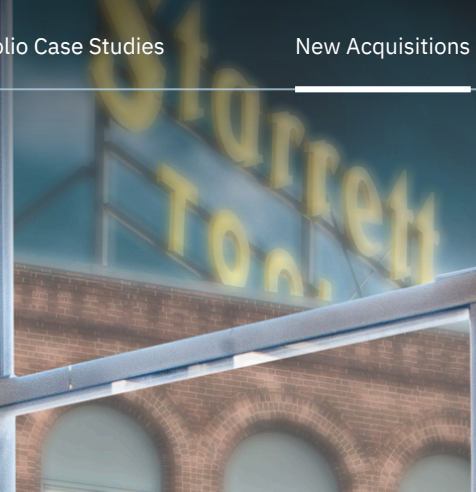
- Further formalize employee engagement and corporate social responsibility programs, and developing an industry leading safety strategy
- Expand key sustainability data reporting and analytics capabilities for areas most material to the business
- Establish a framework for long-term sustainability internally and across the supply chain
- Develop Sustainability 5 Year Strategy

### COMPLETED SUSTAINABILITY INITIATIVES

- Developed and implemented Employee Engagement Survey
- Developed policies for Safety Accountability & Discipline and PPE Requisition & Issuance procedures
- Established annual targets for key metrics and identified actions to be taken to meet long-term sustainability objectives







# Starrett®

## DETAILS

**Investment Date:**

May 2024

**Sector:**

Precision Measurement  
Tools and Manufacturing  
Instruments

**Headquarters:**

Athol, Massachusetts

**Footprint:**

8 Facilities Across 4  
Countries

**Fund:**

Fund III

## ABOUT STARRETT

Founded in 1880 and based in Athol, Massachusetts, Starrett is a leading manufacturer of branded, precision-focused tools, including dimensional metrology tools and equipment, saw blades, and precision granite assemblies for industrial, professional, and consumer markets.

## PRE-ACQUISITION NOTABLE SUSTAINABILITY ITEMS

- Heavy focus on renewable energy and RECs, including wind and hydroelectric power
- Foundational Carbon Emissions Tracking
- Global DEI tracking with performance at or above industry average

## PLANNED INITIATIVES

- Formalize and expand emission tracking of Scope 1, 2, & 3 in line with the GHG protocol
- Develop roadmap to improve wages as necessary
- Develop Sustainability 5 Year Strategy

## SUSTAINABILITY

## COMPLETED INITIATIVES

- Formalized company-wide aggregate safety and Human Resources metric tracking
- Targets set for sustainability metrics and KPIs

## SUSTAINABILITY





## DETAILS

**Investment Date:**

July 2024

**Sector:**

Automotive

**Headquarters:**

Milton Keynes,  
United Kingdom

**Footprint:**

3 Facilities in the UK

**Fund:**

Fund II / Mobility  
Opportunity Fund

## ABOUT HELIX

Founded 26 years ago, Helix initially operated as a consultancy providing design, development, testing, and prototype manufacture of combustion engines. Today, Helix offers world-class electric drive solutions for Motorsport, high-performance automotive, and other e-mobility markets, backed by strong design and engineering capabilities.

## PRE-ACQUISITION NOTABLE SUSTAINABILITY ITEMS

- Robust corporate governance policies & practices in place
- 3 consecutive years without a significant work-related safety incident
- Emissions tracking for scope 1 & 2 emissions

## PLANNED SUSTAINABILITY INITIATIVES

- Formalize and expand emission tracking of Scope 1, 2, & 3 in line with the GHG protocol
- Target of 2 ISO14001 Certifications
- Develop Sustainability 5 Year Strategy

## COMPLETED SUSTAINABILITY INITIATIVES

- Established Audit, Compensation, and ESG Board Committees
- Formalized company-wide aggregate safety tracking





## DETAILS

**Investment Date:**  
November 2024

**Sector:**  
Machine Vision

**Headquarters:**  
Munich, Germany

**Footprint:**  
19 Facilities Across  
Europe,  
North America, and  
South America

**Fund:**  
Fund III

## ABOUT STEMMER

Stemmer Imaging is the leading international systems house for machine vision technology. With a strong background in engineering expertise, Stemmer Imaging offers a comprehensive range of machine vision services for both industrial and non-industrial applications. These services range from value-added offerings to the development of subsystems and proprietary products, all built on an extensive commercial product portfolio.

## PRE-ACQUISITION NOTABLE SUSTAINABILITY ITEMS

- 2027 Carbon Neutrality Commitment
- 92% Renewable Energy Consumption
- ~30% Gender Diversity; ~15% above national benchmark

## PLANNED SUSTAINABILITY INITIATIVES

- Formalize and expand emission tracking of Scope 1, 2, & 3 in line with the GHG protocol
- Implement 5-year Sustainability Strategy with steps to meet carbon goals
- Develop Sustainability 5 Year Strategy

## COMPLETED SUSTAINABILITY INITIATIVES

- Established Audit, Compensation, and ESG Board Committees
- Received Bronze Star in EcoVadis





# Metrics Review



# Environmental Metrics

Company		Energy Intensity		Water Intensity		Carbon Footprint (Scope 1 & 2) <sup>2</sup>		ISO 14001 Certification	
		kWh/Rev.		gal/Rev.		tCo2e		% locations	
Fund I	Company A	0.159	►↓	0.027	▲↑	3,597	▲↑	57%	▲
	Company B	0.080	▼↑	0.054	▼↓	11,079	▲↓	100%	►
	Company C <sup>1</sup>	0.202	▼↓	0.058	▲↓	51,184	▲↓	74%	►
	Company D	0.074	▼↑	0.146	►↓	5,979	▲↑	0%	►
	Company E	0.023	►↑	0.005	▼↑	1,127	▲↑	50%	▲
	Company F <sup>1</sup>	0.319	▼↓	0.117	▼↓	58,490	▼↓	94%	►
	Company G <sup>1</sup>	0.197	▼↓	0.071	▲↓	6,616	▲↑	75%	►
Fund II	Company H	0.074	▼↑	0.026	▼↑	8,854	▲↑	0%	►
	Company I	0.016	►↑	0.015	▲↑	2,297	▲↑	11%	▲
	Company J <sup>1</sup>	0.062	▼↑	0.005	►↑	660	▼↑	0%	►
	Company K	0.018	►↑	0.007	▲↑	9,059	▼→	23%	▲
	Company L	0.016	▼↑	0.000	▲↑	159	▼↑	0%	►
	Company M	0.024	▼↑	0.016	▼↑	3,461	▼↑	67%	►
	Company N	0.119	▼→	0.100	▼↓	544	▲↑	0%	►
	Company O <sup>1</sup>	0.075	▲↑	0.004	▲↑	186	►↑	0%	►
	Company P <sup>1</sup>	0.035	○↑	0.017	○↑	383	○↑	0%	○
	Company Q <sup>1</sup>	0.001	○↑	0.003	○↑	59	○↑	100%	○
Fund III	Company R	0.116	○↑	0.049	○↓	8,112	○↑	7%	○
	Company S	0.004	○↑	0.005	○↑	306	○↑	0%	○
Carbon CV	Company T	0.023	▼↑	0.006	▼↑	14,824	▼↓	0%	►

## Graph Key

### Year over Year Performance

▲ Improvement

▼ Decline

► No Change

○ No Previous Year Data

### Performance vs Benchmark

↑ Exceeds Benchmark

→ Meets Benchmark

↓ Doesn't meet Benchmark

○ No Previous Year Data

1 - Mobile Opportunity Fund Investment  
2 - Carbon emissions are market-based where applicable

Some metrics may be estimated using previous year or partial year data.  
Performance improvement and decline based on +/- 5% threshold.



Social Metrics

Company		Total Recordable Injury Rate (TRIR)		Turnover		Gender Diversity		Racial Diversity*		Employees <\$15/hr		Employees <\$25/hr		CEO to Median Pay	
Fund I	Company A	3.89	▼↓	55%	▼↓	19%	▲↑	19%	▼↑	0	▶	194	▲	5.5	▲↑
	Company B	2.50	▲↑	40%	▶↓	26%	▲↑	45%	▶↑	0	▶	178	▲	6.25	▲↑
	Company C <sup>1</sup>	1.20	▼↑	29%	▲↑	29%	▶↑	35%	▲↑	0	▶	1377	▼	25.21	▼↓
	Company D	6.94	▼↓	61%	▲↓	16%	▲↑	47%	▲↑	0	▶	70	▼	6.76	▲↑
	Company E	4.00	▼↓	19%	▲↑	35%	▶↑	21%	▲↑	0	▶	111	▲	12.21	▼↓
	Company F <sup>1</sup>	3.47	▼→	46%	▼↓	26%	▼↑	41%	▲↑	2	▼	895	▼	18.98	▼↓
	Company G <sup>1</sup>	1.09	▼↑	141%	▼↓	42%	▼↑	38%	▲↑	0	▶	327	▼	10.27	▲→
Fund II	Company H	1.60	▶↑	20%	▲↑	20%	▼↓	26%	▼↑	0	▶	360	▲	12.69	▼↓
	Company I	3.99	▲↓	41%	▲↓	9%	▶↓	34%	▲↑	0	▶	112	▲	7.95	▶↑
	Company J <sup>1</sup>	0.00	▶↑	9%	▼↑	16%	▲→	11%	▼↑	0	▶	0	▶	4.04	▼↑
	Company K	0.28	▲↑	17%	▼↑	23%	▲↓	31%	▲↓	0	▶	169	▲	6.64	▲↑
	Company L	0.00	▲↑	27%	▶→	13%	▼↓	21%	▲↑	0	▲	58	▼	5.28	▲↑
	Company M	0.48	▶↑	30%	▲↑	17%	▼→	22%	▼↑	0	▶	158	▲	6.77	▲↑
	Company N	13.87	▼↓	17%	▼↑	17%	▶→	86%	▲↑	0	▶	77	▼	7.31	▲↑
	Company O <sup>1</sup>	1.81	▶↑	15%	▶↑	10%	▼↓	N/A	○	1	▼	38	▼	8.04	▶↑
	Company P <sup>1</sup>	0.00	○↑	34%	○→	18%	○↓	N/A	○	0	○	3	○	4.5	○↑
	Company Q <sup>1</sup>	0.00	○↑	49%	○↓	17%	○↓	97%	○↑	0	○	138	○	6.56	○↑
Fund III	Company R	3.09	○↑	19%	○↑	25%	○↑	10%	○↓	6	○	476	○	19.4	○↓
	Company S	1.30	○↓	12%	○↑	29%	○→	N/A	○	0	○	22	○	N/A	○
Carbon CV	Company T	1.87	▲↑	21%	▼↑	23%	▼↑	38%	▼↑	0	▶	298	▲	11.9	▼↓

Graph Key

Year over Year Performance

▲ Improvement

▶ No Change

▼ Decline

○ No Previous Year Data

Performance vs Benchmark

↑ Exceeds Benchmark

↓ Doesn't meet Benchmark

→ Meets Benchmark

○ No Previous Year Data

1 - Mobile Opportunity Fund Investment

\* - US Only

Some metrics may be estimated using previous year or partial year data.

Performance improvement and decline based on +/- 5% threshold.



# Governance Metrics

Company		Board Committees		Independent Board Members		Corporate Policies		Board Diversity Race & Gender	
Fund I	Company A	100%	►	2	►→	100%	►	29%	▲↑
	Company B	100%	►	1	▼↓	100%	►	29%	▲↑
	Company C <sup>1</sup>	100%	►	2	▼→	100%	►	13%	▼↓
	Company D	100%	►	2	►→	100%	►	30%	▼↑
	Company E	100%	►	2	►→	100%	►	40%	▲↑
	Company F <sup>1</sup>	100%	►	4	►↑	100%	►	9%	▲↓
	Company G <sup>1</sup>	100%	▲	2	►→	20%	▲	29%	►↑
Fund II	Company H	100%	►	2	►→	100%	▲	14%	▲↓
	Company I	100%	►	2	►→	100%	►	30%	▼↑
	Company J <sup>1</sup>	100%	►	4	►↑	100%	▲	25%	▼↑
	Company K	100%	►	2	►→	100%	►	22%	►↑
	Company L	100%	►	2	►→	100%	►	38%	▲↑
	Company M	100%	►	2	►→	100%	▲	13%	▼↓
	Company N	100%	▲	2	►→	100%	▲	40%	▲↑
	Company O <sup>1</sup>	67%	▲	2	▲→	100%	►	0%	▼↓
	Company P <sup>1</sup>	33%	○	2	○→	80%	○	0%	○↓
	Company Q <sup>1</sup>	67%	○	1	○↓	100%	○	14%	○↓
Fund III	Company R	67%	○	2	○→	100%	○	0%	○↓
	Company S	33%	○	1	○↓	80%	○	0%	○↓
Carbon CV	Company T	100%	►	2	►→	100%	►	38%	▲↑

## Graph Key

### Year over Year Performance

▲ Improvement

▼ Decline

► No Change

○ No Previous  
Year Data

### Performance vs Benchmark

↑ Exceeds Benchmark

→ Meets Benchmark

↓ Doesn't meet  
Benchmark

○ No Previous  
Year Data

1 - Mobile Opportunity Fund Investment

Some metrics may be estimated using previous year or partial year data.  
Performance improvement and decline based on +/- 5% threshold.



# What's Next?





## LOOKING AHEAD TO 2025 AND BEYOND

One thing remains clear in 2025 and beyond: our commitment to sustainability is not a reaction to industry trends or pressure—it's a reflection of who we are.

Across the industry, we're seeing many firms pull back. Political headwinds and shifting narratives have caused some to soften their stance on sustainability and DEI, treating these principles as optional rather than essential. At MiddleGround, we refuse to pull back just because sustainability is no longer popular. For us, now is the time to double down—to reinforce the systems we've built, broaden the scope of our initiatives, and lead from the front.

In the year ahead, we'll continue strengthening the link between sustainability and long-term value creation. That means improving our resource efficiency, deepening our portfolio-wide safety initiatives, and pushing further on wage equity to reduce turnover. It also means capitalizing on opportunities in deregulated energy markets—strategically sourcing electricity and natural gas to reduce costs while accelerating the transition to renewable energy. These efforts not only drive environmental progress—they also unlock savings, operational efficiency, and bottom-line value.

We've never viewed sustainability and investor returns as competing priorities. When embedded with intention, we believe sustainability enhances business fundamentals, reduces risk, and supports sustained performance.

We know that meaningful progress takes time, consistency, and conviction. But we also know that the firms willing to lead with purpose today will be the ones shaping a more resilient and equitable economy tomorrow.



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It should not be assumed that any ESG initiatives, standards, or metrics described herein will apply to each asset in which MGC invests or that any ESG initiatives, standards, or metrics described have applied to each of MGC's prior investments. ESG is only one of many considerations that MGC takes into account when making investment decisions, and other considerations can be expected in certain circumstances to outweigh ESG considerations. Any ESG initiatives described will be implemented with respect to a portfolio investment solely to the extent MGC determines such initiative is consistent with its broader investment goals. There is no guarantee that the evaluation of ESG characteristics will be additives to a strategy's performance. ESG is not a uniformly-defined characteristic and information used to evaluate ESG characteristics may not be readily available, complete, or accurate, and may vary across providers and issuers. Because of the subjective nature of ESG integration, there can be no guarantee that ESG factors considered will reflect that beliefs or values of any particular client.

This material discusses MGC's current efforts to integrate responsible and sustainable investing principles into our investment processes across various investment strategies. The process discussed may not be fully implemented, or may be implemented differently, for each strategy and for each fund. Certain examples are provided herein for illustrative purposes only and are not intended to be representative of MGC's investment process with respect to every investment. The principles related to sustainable and responsible investing discussed herein represent general goals that will not be achieved by every investment strategy and investment team. These goals are not representative of current processes or outcomes for every strategy, and may not be fully realized for all products or client accounts.

Case studies are presented solely for illustrative purposes, are not representative of all transactions of a given type or of investments generally, and are merely intended to be illustrative of the investments that may be made by the funds. There can be no assurance that MGC will be able to invest in similar opportunities in the future. The investments presented herein may have been made under different market, economic and supply-demand conditions than those in which current and future funds will operate, and which may not be replicated. Accordingly, future investments made by a fund may have characteristics that differ from the case studies presented in this section. It should not be assumed that the specific investments resented or referred to herein were or will be profitable or that any investments made in the future will equal the performance of such investments.

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