



# ESG Report

2024

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# Letter from Jim Mahoney

The following includes Huron Capital's 2024 ESG Report, which features our commitment to responsible business practices in the service sector. At Huron and within our portfolio companies, we recognize that our most valuable assets are our people, and this understanding shapes our approach to Environmental, Social, and Governance (ESG) initiatives.

As an investor in service-based businesses, Huron's ESG priorities continue to revolve around human capital. This year, we have concentrated our efforts on a few key areas: effective governance and ESG reporting, safety, human resources and people management, and community giving programs.

In 2024, we supported HR strategies within our companies to foster a supportive work environment, recognizing that our success is intrinsically linked to the well-being and growth of our employees. Safety remains a top priority across our companies' operations, and we continue to implement robust measures to protect our employees and customers. Additionally, we have continued various community giving programs, reflecting our dedication to making a positive impact in the areas where we operate.



**Jim Mahoney**

— Managing Partner

— This report details recent progress Huron has made across our key focus areas and outlines our vision for continued advancement in services industries. We believe that by prioritizing our people and embracing responsible practices, we will create long-term value for all our stakeholders.

# Huron at a Glance

## FIRM OVERVIEW

Established in 1999, Huron Capital (“Huron”) is a leading lower-middle market private equity firm headquartered in Detroit, Michigan. Since its inception, the firm has raised six funds totaling approximately \$2.0 billion and has invested in over 290 companies.

Huron employs a thematic approach to investing, focusing on the intersection of long-term secular trends and the firm’s primary sectors of focus including infrastructure services, facility services, and residential services. The firm has deep experience, a demonstrated value creation playbook, and a history of success in these industries. Huron executes its strategy through a firm-wide systematic origination process, with dedicated, Partner-level investment professionals focusing on our core sectors.

The firm maintains a disciplined investment strategy, targeting control investments in services-based, family and founder-owned companies in North America. These companies operate in fragmented markets and possess business model characteristics that uniquely position them for growth as market-leading businesses in their respective fields. For the last two years, Huron is proud to be on Inc.’s list of Founder-Friendly Investors, a cohort of private equity firms that support the growth of founder-led companies.



Founded in

1999

Investments Made

290+

Funds Raised Since Inception

\$2.0 Billion

# ESG Policy and Governance

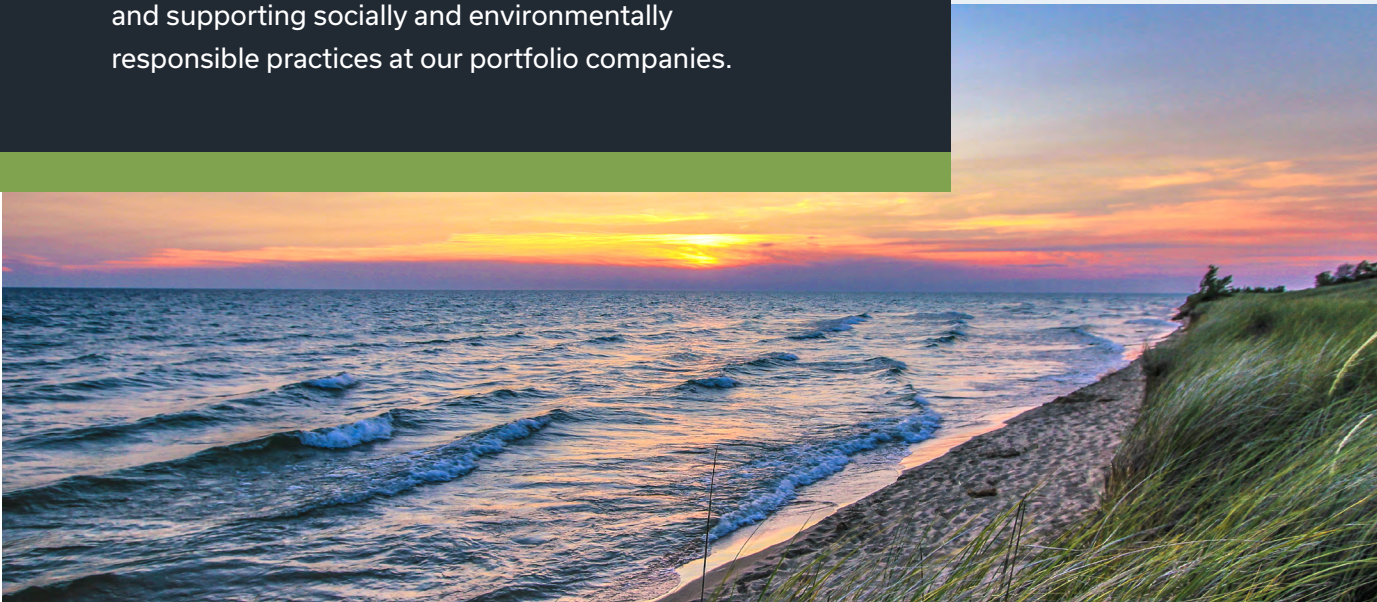
## OVERVIEW

ESG principles have been embedded in our organization for years and guide our approach to environmental stewardship, social responsibility, and governance practices. This commitment is evident in how we assess and mitigate risks, identify opportunities for value creation, and uphold standards of accountability throughout the investment period. Our dedication to ESG reflects our belief that focusing on ESG is not only the right thing to do, but it's also good for business.

We are committed to addressing ESG issues in a manner that reflects our values and benefits the long-term sustainability and profitability of our portfolio companies. At Huron, our service focus has always been centered around our people. Ensuring a safe and supportive work environment fosters growth and success at our companies.

**Huron's ESG Policy was initially established in 2016 and defines our guiding principles and approach to responsible investing.**

This policy emphasizes our commitment to identifying and supporting socially and environmentally responsible practices at our portfolio companies.





01

**Promoting ESG Principles in Investing** – Huron advocates for the incorporation of ESG factors in investment decisions and views them as an essential component of responsible investing.

02

**Exercising Influence and Responsibility in Investment** – As a control investor, Huron recognizes its responsibility to influence the practices of portfolio companies towards greater social and environmental responsibility.

03

**Driving Impact with Proactive ESG Management** – Huron believes that companies which proactively address ESG issues are better managed. These investments have the potential to deliver leading outcomes for Huron's investors, the firm, and the communities in which these companies operate.





## **Our commitment to ESG spans beyond governance of our portfolio companies to our own firm and local community.**

We are involved in our local community through a number of service and giving programs.

Huron has a longstanding, systematized process for conducting thorough investment due diligence, including a focus on ESG. Many considerations, including environmental matters, property and working condition assessments, employee benefits and labor relations, and financial controls and governance, are routinely evaluated through internal and third-party diligence processes. ESG considerations identified during diligence, including material issues, risk remediation approaches, and value creation opportunities, are escalated and reviewed by our Investment and ESG Committees.

Upon investment, we discuss risks and opportunity areas with management teams to set ESG improvement objectives, which are incorporated into 180-Day and Annual Operating Plans (AOPs). We collect annual ESG surveys from each active portfolio company to measure progress made towards ESG initiatives and to understand how Huron can best support those initiatives.



# GOVERNANCE

## Our ESG Committee and Board are responsible for:

- 1** Evolving Huron's ESG approach and overseeing ESG integration efforts within the Firm and our portfolio companies
- 2** Managing ESG data collection
- 3** Reporting and communicating on ESG efforts to external stakeholders



The ESG Board provides guidance and oversight of Huron's ESG program. The Board is composed of senior members of the Huron team, including:

**Jim Mahoney**

Managing Partner

**Matt Hare**

Partner, CFO, COO, & CCO

## The ESG Committee is comprised of a cross-functional team including:



**Leah Ierardi**

Vice President  
INVESTMENT TEAM



**Ryan Costello**

Vice President  
INVESTMENT TEAM



**Kate Hennessy**

Senior Associate  
FINANCE



# Timeline of ESG Progress

## 2016

Huron's ESG Policy and Charter are established, defining the firm's guiding principles and approach to responsible investing.

## 2022

Huron reaffirms its commitment to responsible investing and ESG practices, establishing a cross-functional ESG Committee and Board to drive integration of Huron's ESG principles across its firm and its portfolio of companies.

## 2022

ESG Liaisons are designated at each Huron-controlled portfolio company to oversee ESG-related initiatives.

## 2022

Huron joins the ESG Data Convergence Initiative (EDCI) as a signatory.

## 2023

Huron's ESG Committee launches various cross-portfolio forums bringing together functional leaders across Huron companies.

## 2024

Huron continues to support local service organizations through the Footprints giving program.



# Huron's 2024 ESG Focus and Initiatives

## ESG DATA CONVERGENCE INITIATIVE (EDCI)

**Huron is committed to advancing ESG principles,**

and one of the ways we have done this is through our continued participation in the ESG Data Convergence Initiative (EDCI). The EDCI is a collaborative effort involving over 475 General Partners and Limited Partners, with data from more than 6,200 portfolio companies. By participating in the EDCI, Huron benchmarks ESG performance with similar companies, providing valuable insights to track our progress and identify opportunities for additional value creation.



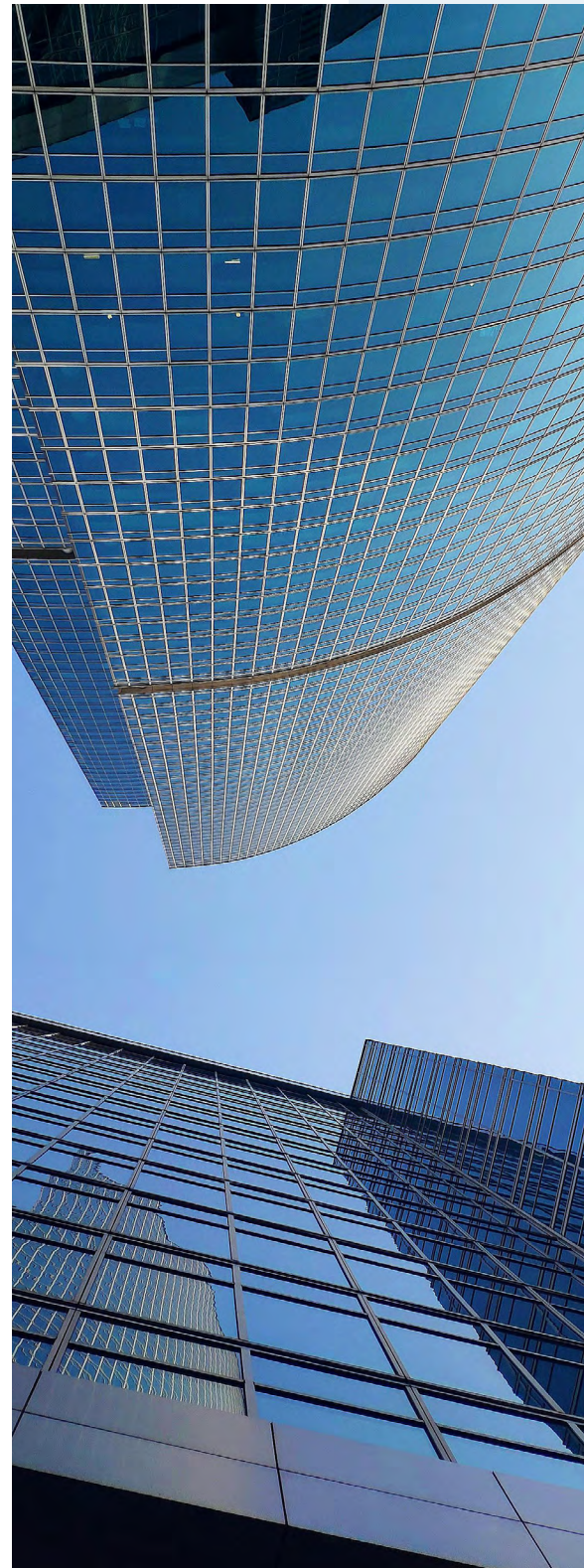
**In addition to the core EDCI metrics,** Huron's ESG Committee collects additional information on topics such as data security, employee benefits and compensation, and governance practices.

## SAFETY LEADERS FORUM

The Safety Leaders Forum has been a cornerstone initiative for fostering collaboration among Safety Leaders across Huron's portfolio companies. Over the last year, we have continued forum activities and enabled participants to address critical challenges specific to service-oriented businesses. The forum has allowed Safety Leaders to exchange best practices, innovative solutions, and insights on key topics such as safety metric reporting, driver safety, and workplace safety enhancements. By facilitating these discussions, the forum not only promotes shared learning but also strengthens safety protocols, driving continuous improvement and a culture of accountability across our companies.

## HUMAN RESOURCES FORUM

Similar to the Safety Leaders Forum, the ESG Committee organizes a regular Human Resources Forum, bringing together HR leaders across Huron Capital's portfolio companies to address the evolving challenges and opportunities of modern workforce management. The forum provides a platform to share strategies and solutions on critical topics such as talent acquisition, employee retention, professional development, and inclusive workplace cultures. Through open dialogue and knowledge exchange, HR professionals are empowered to implement innovative approaches that enhance the employee experience and strengthen organizational performance.



## FOOTPRINTS

Huron channels its firm-wide philanthropic efforts through the Footprints initiative, an employee-led program dedicated to supporting local nonprofit organizations. Through this initiative, Huron proudly partners with groups addressing critical community needs, such as providing stable housing, combating food insecurity, and offering enriching after-school programs and youth mentorship opportunities. These efforts reflect Huron’s commitment to creating a lasting positive impact in our community. In 2024, Huron sponsored over a dozen organizations, including Life Remodeled, the Joyce Ivy Foundation, Detroit Horsepower, Haven Homes of Detroit, Gleaners Food Bank, Crossroads, and a variety of other organizations through financial support and volunteer efforts.





## COMPANY OVERVIEW

Sunland Asphalt & Construction (“Sunland”) offers construction and maintenance services including asphalt repairs, crack sealing, and sealcoating, among others. Sunland has completed an array of projects across the United States, upholding high standards around safety performance to ensure the protection of all its stakeholders, including its over 1,000 employees and the communities in which it operates.

### INDUSTRY SECTOR

Infrastructure and Utility Services

### HEADQUARTERS

Phoenix, Arizona

### INVESTMENT YEAR

January 2021

## INTRODUCTION

At Sunland, safety is more than a policy. It is a culture that drives the company’s success. Through initiatives like positive reinforcement, continuous training, and real-time monitoring, Sunland ensures the well-being of its team members and optimizes operational efficiency.

Their approach identifies, assesses, and mitigates risks proactively across all areas of their operations. Sunland’s Risk Team, comprising 11 professionals—including Safety Advisors, Claims Managers, DOT Specialists, and led by SVP of Risk Management, Joe Zaleski—reports directly to the CEO, underscoring the strategic importance of safety and risk management within the company.



# KEY COMPONENTS OF SUNLAND'S SAFETY AND RISK MANAGEMENT PROGRAM



## 01

**Comprehensive Risk Assessment:** Sunland's Critical Behavior Observation Program (CBO) provides daily assessments to identify potential risks throughout Sunland's operations. This program has been instrumental in fostering a coaching-focused culture and building trust across the business.

## 02

**Data-Driven Decision Making:** Sunland leverages advanced analytics and technology from sources such as Samsara, CBOs, and DOT Gate Inspections. This enables Sunland to identify risk factors and deploy resources effectively to mitigate risks and enhance operational safety.

## 03

**Cultural Integration:** The company fosters a risk-aware culture, empowering all team members to recognize and address risks in their daily activities.

## 04

**Claims Management:** Sunland's comprehensive claims management protocols ensure they are well-prepared for unforeseen events and can maintain their standards of customer service.



## RECENT PROGRAMS



Sunland's recent programs have focused on mitigating potential disruptions, safeguarding the well-being of team members, and fostering a stable environment that supports sustainable growth and strategic investment.

### **The GOTCHA Program: Recognizing Safe Behavior**

One of Sunland's flagship safety recognition initiatives is the GOTCHA Program, designed to transform the traditional approach to safety by emphasizing positive reinforcement. Team members demonstrating safe actions are recognized with verbal acknowledgment and rewarded with GOTCHA scratch-off cards, offering token prizes such as company-branded items. This innovative program redefines the phrase "Safety is just a GOTCHA program" into a positive and encouraging strategy. In 2024 alone, the company awarded over 40 GOTCHA recognitions, driving significant engagement and reinforcing the importance of safe practices across the organization.

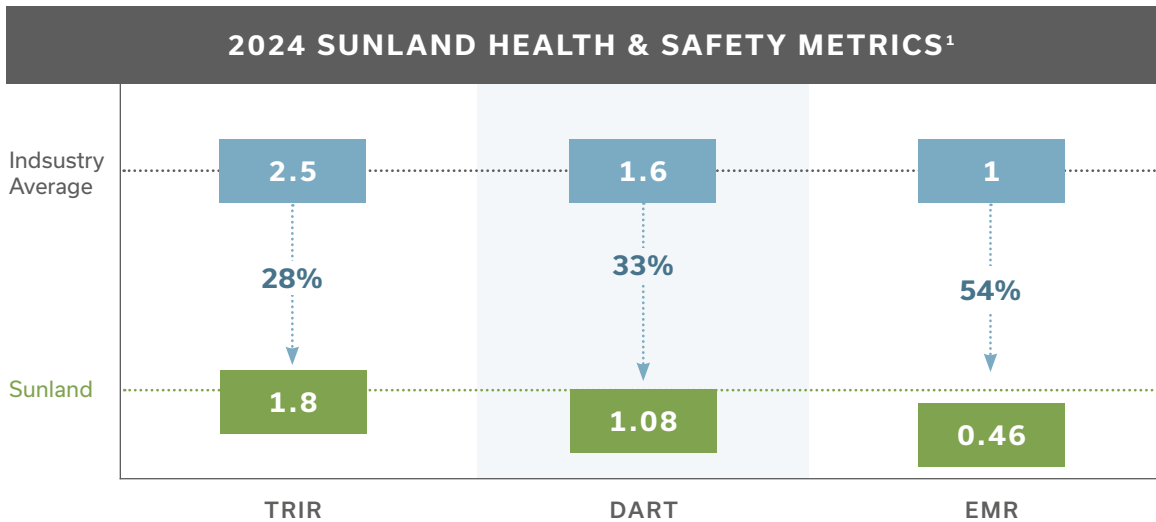
### **Smith Safe Driving Program: Comprehensive Driver Training**

Recognizing the critical importance of safe driving practices, Sunland introduced the Smith System Safe Driving Program in 2023. The program ensures that all Sunland drivers receive thorough training in proven defensive driving techniques. With 17 certified instructors (at least one at each location) Sunland has committed to training every new employee driver in Smith System methods within their first week of employment. To date, over 500 drivers have been certified, reflecting Sunland's dedication to creating a strong safety culture and reducing risks on the road.



**Leveraging Technology with Samsara**

Sunland has adopted advanced technology to enhance safety and efficiency through its partnership with Samsara. All company vehicles and equipment are equipped with Samsara’s AI-powered systems, providing real-time monitoring, coaching, and alerts for behaviors like speeding, following distance, seat belt use, and distractions. Positive driving moments are also highlighted and shared company-wide to promote a culture of safety. Samsara also optimizes equipment management by collecting diagnostic data to prevent downtime, streamline maintenance schedules, and track trailers and other specialized equipment.



<sup>1</sup> Incidence rates of nonfatal occupational injuries and illnesses by industry and case types, 2023 (bls.gov), NAICS 2373 - “Highway, Street, and Bridge Construction” industry.





## COMPANY OVERVIEW

Criticore Group (“Criticore”) is an engineering-led electrical contractor providing highly technical maintenance, repair, and retrofit services. The Company provides services for customers within critical uptime environments, including semiconductors, biotechnology, data centers, advanced manufacturing, healthcare, higher education, and other complex facilities.

### INDUSTRY SECTOR

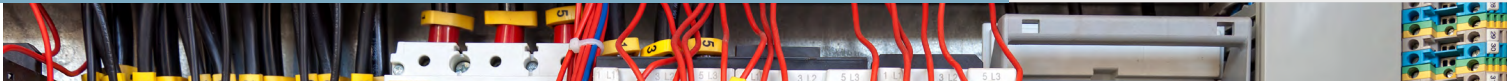
Facility Services

### HEADQUARTERS

Flower Mound, TX

### INVESTMENT YEAR

August 2023



## INTRODUCTION

Criticore is committed to attracting, developing, and retaining top-tier talent to ensure construction is executed safely and efficiently. In today’s competitive market, the demand for skilled frontline workers is high, which impacts how the company recruits, trains, and supports its most valuable assets: the dedicated men and women on the frontline.

## BASEBALL CARD EVALUATIONS

In some markets, electricians are not required to hold a license. This makes it challenging to accurately assess a worker’s skillset, especially for employees who more frequently switch employers. To address this issue, Criticore introduced its Baseball Card Evaluations, a system that assesses frontline workers’ electrical skills multiple times a year. These evaluations compile average scores from multiple foremen to provide a clear picture of each employee’s current abilities, progress in training, and optimal role placement. This initiative has streamlined scheduling, identified training needs, and reduced the time foremen require to integrate new crew members on-site. In 2025, Criticore plans to expand this successful program across its business units, further reinforcing its commitment to workforce development and operational efficiency.

**FIELD COMMUNICATIONS**

Many Criticore employees work on jobsites spread throughout the West Coast. Given their field-based roles, these team members often prefer text communication over laptops or tablets. Criticore has more recently embraced this trend, integrating text messaging into key business functions such as recruiting, onboarding, scheduling, timekeeping, attendance, announcements, and daily communications. Criticore leverages various tools to streamline Human Resource operations and ensure field supervisors and other employees promptly receive, read, and act on important updates. This approach has enhanced efficiency and improved communication across the organization.

**EMPLOYEE EXPERIENCE**

As Criticore continues to grow and attract top talent, the company remains dedicated to creating distinctive employee experiences and fostering a family-first culture. Construction is a unique industry, offering tangible satisfaction of creating something lasting. Frontline workers take pride in what they have built. Criticore builds on this pride by involving employees' families in what it calls Engineered Experiences and Family Touches. These initiatives include meaningful touchpoints such as annual family staycations, group events, and recognition and life milestone gifts. Additionally, spouses are included in onboarding, open enrollment, and other key meetings when appropriate. The goal is to provide unique experiences that enhance employees' connections with Criticore and foster a strong sense of community.

