



**Compass Diversified
Citizenship Statement
January 2023**

Introduction

Compass Diversified (“**CODI**” or the “**Company**”) is a publicly traded owner and manager of a diverse set of North American middle-market businesses (our “**Subsidiaries**”). CODI is committed to conducting its business activities in-line with legal and ethical standards in furtherance of the interests of its shareholders and in a manner that is consistent with all applicable laws, rules, and regulations.

This citizenship statement (“**Citizenship Statement**”) reflects CODI’s commitment to the long-term growth of the Company through our culture of transparency, alignment and accountability. Our intention as a Company is to continue to act as a trusted partner to our Subsidiaries, shareholders, and other stakeholders, and future-proof our people and planet through proactive, intentional action.

Engagement Activities

Employee Engagement

At CODI, our team is our greatest asset¹. We make investing in our people a top priority and strive to make working at CODI a rewarding and positive experience. As of 2022, we have a 95% retention rate over the past four years, and we work every day to continue to incentivize our employees and remain competitive as an employer in our industry. We engage with our employees through a variety of topics and initiatives.

Anti-harassment and Discrimination

At CODI, we believe that all employees have the right to work in an environment free of harassment and discrimination. Our employees participate, on a biannual basis, in anti-harassment and discrimination training, in accordance with the relevant California and Connecticut statutes. Additionally, CODI treats any reports of harassment and discrimination with the utmost seriousness and will take reasonable steps thereafter to appropriately address concerns.

Equal Opportunity and Diversity, Equity and Inclusion

CODI is supportive of Diversity, Equity and Inclusion (“**DEI**”) initiatives across the Company. In our view, a culture that embraces diverse backgrounds, experiences and thoughts is able to leverage such diversity into greater outcomes for stakeholders. We are constantly seeking out opportunities to work with community partners to support DEI. We believe that diversity of people and thought starts at the top, which is why we’ve made strides to add individuals from diverse backgrounds to CODI’s Board of Directors and include diversity as a criteria to be considered by our nominating and corporate governance committee in selecting and evaluating potential director candidates.

¹ All employees are employed by Compass Group Management LLC, our external Manager; Compass Diversified does not employ any personnel. References herein to “our” or the “Company’s” or “CODI’s” or similar terms related to employees refer to employees of our Manager.



Finally, we recognize that we have an opportunity to drive diversity not only at CODI, but across our industry. We believe that we can address gender and racial/ethnic disparities across the industry by giving students and young professionals opportunities to learn about and experience financial services.

Health and Well-being

We believe that in order for CODI to succeed, our employees need to prioritize both their physical and mental health and well-being. To this end, we've instituted a number of initiatives and policies to ensure our team has the resources and support they need.

- We offer an in-office chef to employees, as well as meal reimbursements to ensure all employees have access to quality, nutritious food.
- We offer in-office fitness and wellness solutions, including a full exercise center and massages, to our employees.
- We offer flexible working options, to ensure our employees can work in the optimal environment for their health and well-being.

Additionally, we're cognizant of the individual needs of each of our team seeking to enact policies and practices that is best for the total health and well-being of everyone.

Employee Engagement

CODI is determined to allow methods for employee feedback and engagement throughout the year. We conduct anonymous feedback surveys on an annual basis. Our 2022 employee engagement survey was completed by 88% of our employees. Feedback received from the survey is reviewed by our ESG committee, who will discuss specific action items with various team managers.

As an example of the engagement process, we recently instituted half-year reviews based on requests and feedback from the employee survey.

In addition to our individual engagement activities, we host Company-wide town halls on at least a quarterly basis. These town hall meetings, run by our CEO, cover a set agenda which features topics that impact the entire organization. The agenda items may include new policies, new hires, upcoming events and updates on Company performance and strategy.

Employee training and professional development

At CODI, we believe that our role as an employer includes the ongoing training and professional development of our employees. We've established several programs and initiatives designed to encourage and promote ongoing education within our employee base.



- **Review Process:** All employees are evaluated at least annually, with a mixture of informal and formal reviews. These reviews provide employees with meaningful, actionable feedback, along with a forum for discussion with their managers.
- **Progression Frameworks:** CODI has instituted defined progression frameworks for certain career tracks, to remove subjectivity from the assessment and promotion process. We believe these frameworks allow all employees to evaluate their own performance and remove any opacity from this process.
- **Trainings:** All employees are required to participate in annual Registered Investment Adviser trainings². CODI also facilitates bi-annual training regarding ethics, anti-corruption, and cyber-awareness, for employees, directors (of CODI and its Subsidiaries), and certain Subsidiary executives. Additionally, periodic (at least once per year) trainings are provided to the CODI Board of Directors, and employees attending these meetings. Past topics have included cybersecurity, climate change and more.
- **Conferences and Events:** On a discretionary basis, CODI will support employees who wish to attend industry conferences, events and similar activities. The Company encourages all employees to pursue and attend such conferences or events, whether in-person or virtually.
- **Ongoing Education and Certification:** CODI will support all employees whose licenses or certifications require continuing professional education. Additionally, the Company may support employees who wish to obtain additional degrees or continuing education. This support may be financial or via a flexible workload.

Commitment to Charitable and Philanthropic Involvement and Community Activities

At CODI, we're committed to being a trusted partner of the communities in which we and our Subsidiaries operate. As such, we support a variety of philanthropic efforts³ within our communities. Our Chief Financial Officer and Chief Administrative Officer oversee our philanthropic efforts, and we're focused on creating strategic partnerships with locally focused organizations. Additionally, where cost-effective, we seek to use our buying power, and the buying power of our Subsidiaries, to address societal problems, where mutually beneficial. For example, we work with a social enterprise to supply the tea bags throughout our office. 50% of all profits from our procurement helps shelter and feed refugees across the globe. CODI also has a longstanding relationship with Big Brothers Big Sisters, and plans to continue our support for this cause.

We also have instituted an annual community day, wherein all CODI employees forgo normal operations and volunteer in their communities for a day.

The Company offers an employee match program to employees. We have pledged to match donations up to \$5000 dollars made to non-denominational 501(c)3 organizations, and additionally encourage our employees to extend any giving beyond CODI's match threshold.

Finally, we strive to be supportive of our stakeholders' involvement in philanthropic activity. We often support causes our Subsidiaries are involved in, as well as organizations with whom our employees are personally involved.

² Compass Group Management LLC is a registered investment adviser.

³ Support to philanthropies may consist of monetary or in-kind donations



For a full list of the organizations we support, please see [our website](#).

Environmental Engagement

CODI seeks to support environmental awareness at the Company. Additionally, we engage our stakeholders on an ongoing basis with regards to environmental items.

As part of these overarching goals on environmental engagement, we have implemented the following practices, and identified certain areas of on-going and future action:

- A reduction and eventual elimination of all single-use plastics from our office locations
- An eventual measurement of Scope 1 and 2 emissions at the CODI and Subsidiary level, as well as Scope 3 emissions at the CODI level
- Ongoing support of individual sustainability efforts at our Subsidiaries. Currently, our Subsidiaries engage in activities related to the circular economy, sustainability technology, green-related initiatives at new or existing facilities (i.e., LEED certifications), carbon offsetting and more.

Commitment to Citizenship

This Citizenship Statement is subject to ongoing review by the ESG Committee and will be updated as needed. CODI encourages all employees to review and provide feedback on this statement to ensure it reflects the values of the Company, and of our team.