

ESG Policy

TorQuest Partners

January 2022 Update

TORQUEST

Beyond Capital





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01 PURPOSE

The purpose of this ESG Policy is to describe the strategic approach used by TorQuest Partners (“TorQuest” or “Company”) for integrating environmental, social and governance (“ESG”) considerations into the Company’s business activities.

02 SCOPE

This ESG Policy applies to all TorQuest leadership, management and employees. It informs how the Company:

01 | assesses opportunities

02 | engages investment partners

03 | manages its operations

04 | interacts with portfolio companies whose own ESG approaches will vary

03 VISION

TorQuest believes that evaluating ESG considerations — for itself and each potential investment — is consistent with providing the best possible returns to its investors. ESG is an effective lens for identifying risks and creating value throughout the investment lifecycle, across locations and markets, and in the transition to a low-carbon economy. In these ways, ESG supports the Company’s vision:

“

To be the most desired Canadian private equity firm for global investors, businesses and our people.

”



04 VALUES

TorQuest is a highly principled organization with a culture of doing what is right, treating people with respect and always living up to its values of:

Integrity Doing the right thing; always building trust and respect	
	Partnership Commitment to bettering the whole
Humility Respect for others' opinions; acting absent of ego	
	Creativity Solutions developed in an entrepreneurial manner
Discipline Using logic and analytical rigour to make sound judgements consistent with strategy	
	Excellence Being accountable to the highest standards and a tenacious pursuit of results

05 PRINCIPLES

TorQuest integrates ESG into its decision making in line with these principles:

 Sustainability We take a long-term view and behave in a manner that recognizes the impact of our decisions on future generations and the planet.	 Responsible Investment We consider how our investments affect the environment and local communities, and strive to foster good governance.
 Diversity & Inclusion We believe in the unlimited potential of every human being and value the inherent benefits that diversity brings.	 Accountability We hold ourselves to the highest standards of ethical conduct and business practice.

Consistent with its fiduciary duties, TorQuest encourages its portfolio companies and investment partners to advance these principles.

06 ESG CONSIDERATIONS

TorQuest understands that ESG risks and opportunities often affect investment performance and believes the effective management of these ESG factors will result in better risk-adjusted returns. This approach enables the Company to craft more sustainable, long-term strategies for its investors and portfolio companies.

As a private equity investor creating value in the middle market, primarily in North America, the most relevant ESG considerations for TorQuest include:

Environmental		Social		Governance
Environmental compliance		Occupational health & safety		ESG governance
Environmental risk management		Compliance	Risk management	Business risk management
Climate change		Track record	Training	Supply chain management
Environmental impacts		Human capital		Cyber security & data privacy
Energy usage	Air quality	Labour practices	Diversity & Inclusion	
GHG emissions	Waste management	Community impacts		
Water & wastewater	Raw materials	Product management		
Biodiversity	Fleet management	Quality & Safety	Design & Lifecycle	

TorQuest considers these ESG factors in its:

01 Investment activities

By taking a holistic approach to assessing value and risk through an ESG lens — in origination, due diligence and deal execution

02 Asset management

Through active engagement and continuous monitoring of portfolio companies

03 Company operations

By embedding ESG in day-to-day office activities, external relations and talent attraction, retention and development

Environmental

TorQuest seeks to reduce the adverse environmental impacts of its investment decisions and own-business activities. Through appropriate governance — for example, a board of directors or equivalent structure — TorQuest works with its portfolio companies to increase resource efficiency, strengthen environmental risk management and identify opportunities presented by the transition to a low carbon economy. TorQuest believes that climate change presents diverse challenges and opportunities for the private equity industry, including physical and transition risks. TorQuest does not make investments directly in interests in oil, gas or mineral rights or commodities, or in issuers where their primary business is in these areas.

Social

TorQuest respects the dignity and human rights of those affected by its investment activities. For each investment, TorQuest assesses a range of potential stakeholder impacts, including labour practices and compliance, community relations and license to operate. These considerations extend to monitoring and oversight of supply chain and contractors, as well as confirming that an investment does not flow to companies that use child or forced labour or maintain discriminatory policies. TorQuest complies with applicable national, provincial / state and local labour laws where it invests, supports competitive employee pay and benefits, and provides a safe and healthy workplace in conformance with national and local law. TorQuest respects the rights of employees to decide whether to join a union and engage in collective bargaining, consistent with local law.

Governance

TorQuest is committed to acting with integrity and being responsive and accountable to its investors and business partners. TorQuest uses governance structures that provide appropriate levels of oversight in the areas of audit, risk management and potential conflicts of interest and, when appropriate, implements compensation and other policies that align the interests of owners and management. In businesses where there are elevated environmental and social concerns, TorQuest pursues outside directors with the requisite experience to help ensure ESG matters receive appropriate expertise, scrutiny and oversight.

Diversity & Inclusion

TorQuest is committed to eliminating racism where we live and work.

TorQuest strives to be an inclusive employer and values the many benefits that diversity leads to for our Company culture, such as new ideas, fresh perspectives, employee wellbeing and a sense of belonging. TorQuest believes that the promotion of diversity makes prudent business sense and leads to better investment outcomes.

TorQuest supports efforts to increase diversity in the talent pipeline for the investment community.

07 ESG INTEGRATION

TorQuest's investment professionals are responsible for integrating this ESG Policy into their work, including investment opportunities that are considered by the Investment Committee and workplace initiatives directed by the Management Committee.

On each platform investment undertaken by TorQuest, material ESG-related risks and opportunities are identified and assessed by the relevant TorQuest deal team during origination discussions and due diligence. TorQuest utilizes ESG due diligence tools on every transaction to ensure relevant ESG topics were considered. Key findings are documented in a comprehensive memorandum presented to and deliberated by the Investment Committee in the course of approving the investment.

Where additional subject matter expertise is appropriate, investment teams use external consultants, advisors and other resources to help assess ESG value creation opportunities and mitigate ESG risks.

The Investment Committee reviews and considers relevant ESG factors in evaluating the merits of each investment transaction. If an investment is approved, the Investment Committee ensures that any material risks are clearly identified and appropriately monitored and actioned post-closing.

Workplace-related ESG initiatives at TorQuest are directed by the Management Committee.

08 ACCOUNTABILITY

TorQuest's Chief Legal Officer and Chief Financial Officer are accountable for this ESG Policy.

All staff must familiarize themselves with the ESG Policy and adhere to its objectives in their work.

The ESG Policy is to be interpreted in accordance with (i) applicable local laws and regulations; and (ii) other relevant TorQuest policies and procedures, such as the HR Manual.

TorQuest assesses this Policy regularly, considering evolving international standards, peer practices and investor feedback. Updates are made when required or appropriate. Employees are notified via e-mail when revisions are made.

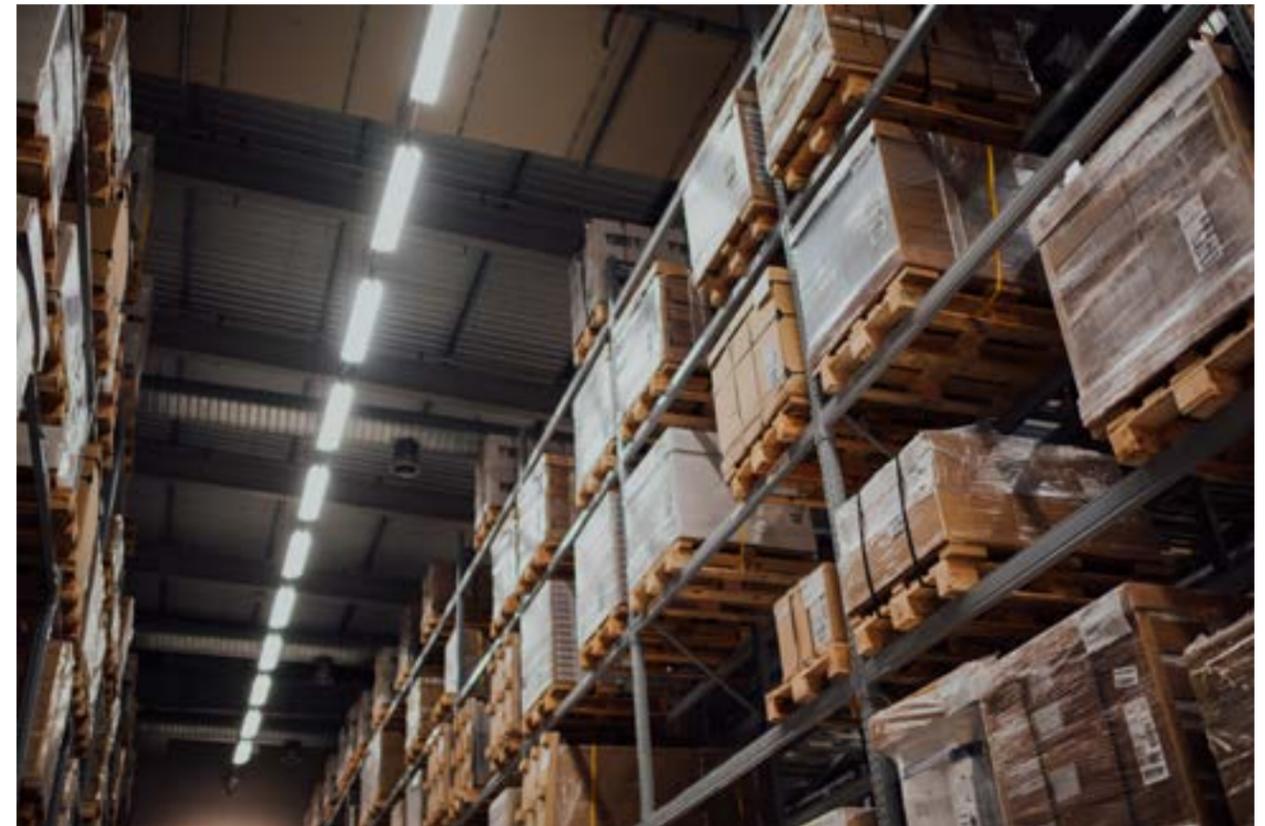
09 TRANSPARENCY

This ESG Policy is publicly available on the TorQuest corporate website.

10 LIMITATIONS

In some instances, TorQuest may have limited ability to control or significantly influence the integration of ESG considerations. This may occur where TorQuest is a minority shareholder or where other circumstances affect TorQuest's ability to assess, set or monitor ESG-related performance. In these cases, TorQuest makes reasonable effort to encourage investment partners and portfolio company management to consider TorQuest's ESG-related principles.

This ESG Policy is at all times subject to, and to be interpreted in accordance with, the provisions of the applicable limited partnership agreements and/or private placement memorandums (or similar) of the funds concerned and to the duties of TorQuest under applicable law as a fiduciary on behalf of all of the partners of its investment funds.



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EVERY SUCCESSFUL RELATIONSHIP
STARTS WITH A CONVERSATION.