



RESPONSIBLE INVESTING REQUEST FOR INFORMATION

Firm Name: TorQuest Partners
Completed By: Jason Galbraith, Chief Legal Officer
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PREAMBLE

In accordance with Queen's University's Responsible Investing Policy, as approved in May 2017, we require all of Queen's External Investment Managers to take due regard of environmental, social, and governance ("ESG") factors in making investment decisions. Managers will be asked to engage where appropriate and report to the University on their ESG activities on an annual basis.

Link to Responsible Investing Policy:

<http://queensu.ca/secretariat/sites/webpublish.queensu.ca.uslcwww/files/files/policies/board/Responsible%20Investing%20Policy.pdf>

To assist with our due diligence, we request that you respond to the following questions no later than July 15, 2022.

Note: Responses to this questionnaire will be posted in full on Queen's website.

GENERAL





1) Please provide your ESG-related policies.

TorQuest's ESG Policy is publicly available on our corporate website at <https://torquest.com/ESG>

2) Are sustainable investing and ESG factors integrated into your investment process and portfolio management decisions? If yes, please provide details.

Yes. 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.

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

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

Our ESG Policy includes additional detail about the most relevant ESG considerations for TorQuest. A high-level summary of those topics is presented here:

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

3) a) Are you a signatory to the UNPRI?

TorQuest has submitted our application to the UNPRI. The application is currently in the review process.

b) If you are signatory to other coalitions, please list them.

None

c) Indicate any other international standards, industry guidelines, reporting frameworks, or initiatives that guide your responsible investing practices.

TorQuest's ESG policy, strategy and practices are informed by several international standards, leading practices and expert advice. In particular, our team and advisors refer to guidance from the Sustainability Accounting Standards Board ("SASB"), Principles for Responsible Investment ("PRI"), the Task Force on Climate-related Financial Disclosures ("TCFD") and, as required, industry-specific frameworks, such as the World Bank Group's Environmental, Health and Safety Guidelines.

TorQuest has been working with a 3rd party advisory partner over the last 18 months to ensure our approach aligns with the latest industry standards, and formalize our approach to managing ESG at a fund and portfolio company level.

4) Please describe how ESG oversight and integration responsibilities are structured at your firm, including the process for escalation of key ESG issues. How do you obtain ESG information/data (e.g. public information, third party research, reports and statements from the company, direct engagement with the company)?

TorQuest's investment professionals are responsible for integrating our ESG Policy into their work, including investment opportunities that are considered by the Investment Committee and workplace initiatives directed by the Management Committee. All staff must familiarize themselves with the ESG Policy and adhere to its objectives. TorQuest's Chief Legal Officer and Chief Financial Officer are accountable for the Policy.

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. On a transaction-by-transaction basis, ESG information and data are obtained from information requests, management consultations and publicly available sources.

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.

Other ESG strategy initiatives to further operationalize our ESG objectives in firmwide activities are led by our Director of Portfolio Management, reporting to the firm's partners, and supported by other TorQuest staff and/or external consultants.

5) What channels do you use to communicate ESG-related information to clients and/or the public? Do you produce thought leadership (written reports and publications)? If so, is the information available to the public? Please provide links, if applicable.

The primary channels for communicating ESG-related information to clients are direct engagement, quarterly communications and our corporate website.

Within our portfolio holdings, individual companies also may issue news releases or other publicly available ESG communications, such as an annual ESG report.

TorQuest does not directly produce thought leadership for the general public, however we have partnered with an advisory partner a thought piece pertaining to ESG across the investment lifecycle (currently in development).

6) Do you have periodic reviews of your ESG process/approach to assess its effectiveness? What are the results? What would cause you to disregard ESG issues in your investment/analysis decisions?

Yes. TorQuest assesses its ESG Policy regularly, considering evolving international standards, peer practices and investor feedback. Updates are made when required or appropriate. TorQuest's current ESG Policy has been in place since 2019. The most recent updates were made in January 2022. Employees are notified via e-mail when revisions are made. TorQuest is also in the process of executing a multi-year ESG strategy initiative, which includes leading practice review, staff training and portfolio company ESG engagement.

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. If the investment does not align with Torquest's ESG standards, it would be removed from consideration.

CLIMATE

7) Describe how you identify, assess, and manage climate-related risks.

TorQuest believes that climate change presents diverse challenges and opportunities for the private equity industry, including physical and transition risks, and climate change considerations are integrated throughout our investment practices. For example:

- At the screening stage, we do 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.
- For ESG due diligence, our approach includes specific questions and data requests related to climate change and related topics, such as air emissions, energy consumption and fuel usage.

- In asset management, TorQuest is currently in the process of establishing the foundations for a climate initiative support program for our portfolio companies that is resilient to differing climate scenarios and market developments. Similar to many investors of our scale, this will be a multi-year exercise tailored to the unique considerations of our portfolio companies. (Additional detail provided below.)

Our initial focus is on baselining ESG performance across TorQuest's holdings, which includes an assessment of the carbon footprint of portfolio holdings, climate-related risks and the opportunities presented by the global transition to a low carbon economy. This initiative is led by our Director of Portfolio Management, supported by each investment team, and includes direct engagement with portfolio company leadership. Subsequent phases of this initiative will focus on emissions forecasting, target setting and operationalization at the firmwide and individual holding levels.

TorQuest has also prioritized the sustainability and carbon intensity of our own operations. In particular, we have taken steps to reduce business travel where possible, encourage a paperless environment, replace the use of plastic water bottles with water stations, and minimize food waste.

8) Describe the climate-related risks and opportunities you have identified over the short, medium, and long term.

Our investment and asset management activities related to current and potential portfolio holdings consider potentially material transition risks and opportunities (created by the global drive to decarbonize the world's economy) and physical risks and opportunities (created by the impacts of increasingly frequent and severe acute weather events and chronic conditions including heatwaves and drought).

Opportunities include the role our portfolio holdings can play in enabling the low-carbon transition or increasing the world's ability to adapt to physical climate impacts. These risks and opportunities related to the short, medium and longer-term are considered in the context of our planned hold periods and the potential impacts on exit conditions.

9) Describe the resilience of your investment strategy, taking into consideration different climate-related scenarios.

See response to item 7.

10) Do you track the carbon footprint of portfolio holdings?

See response to item 7.

If yes, please describe the methodology and metrics used, and whether you have a set target for reducing the portfolio's footprint.

See response to item 7.

11) What are your firm's emissions? Please demonstrate how/whether you are taking steps to reduce these scenarios?

See response to item 7.

12) For the mandate you manage for Queen's, what percentage of equity holdings (if applicable) have credible net zero commitments?

See response to item 7.

13) How do you assess the credibility of a company's emission reduction targets?

See response to item 7.

14) What forward-looking metrics do you use to assess an investment's alignment with global temperature goals?

See response to item 7.

DIVERSITY

15) Please provide the composition of your senior leadership team and board of directors, including women and visible minorities. How do you encourage diversity of perspectives and experience?

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. We acknowledge the impact of systemic racism on Canada's Black citizens, along with the need to create greater opportunities for Black people and other minorities within corporate Canada.

TorQuest supports efforts to increase diversity in the talent pipeline for the investment community. For example, we are proud to support the BlackNorth Initiative, which is working to combat anti-Black systemic racism in Canada, and to be a Visionary Sponsor of The DMZ at Ryerson University's Black Innovation Fellowship Program. To ensure we are making a direct, hands-on impact, we started a multi-year TorQuest Scholars Program. The program provides internship opportunities to candidates from diverse backgrounds, while also supplying them with years of mentorship in support of an eventual transition to a meaningful career in private equity or a similar field.

TorQuest's senior leadership team comprises 10 partners, including 1 woman. TorQuest does not currently collect personal information related to race or ethnicity.

MONITORING

16) After making the decision to invest in a fund/company, what is your process for monitoring the investment's ESG performance during your ownership period?

TorQuest's process for monitoring ESG performance is based on active and continuous engagement with portfolio companies' leadership teams and through our representation on boards of directors. We are currently undertaking a strategic initiative to further standardize our ESG performance management approach. This initiative will result in more formalized portfolio company onboarding processes with respect to ESG performance standards and increased consistency of ESG metrics across companies and/or industries.

Progress against ESG strategy and deployment is discussed regularly in each board meeting, with several portfolio companies choosing to report and track progress against hard metrics. The same information, in a less formal capacity, has been a part of quarterly updates for each portfolio prior to the standup of Torquest's ESG strategy and policy.

17) How do you ensure that your investments' management devotes sufficient resources to ESG factors?

TorQuest's evaluation of an investment company's ESG approach, policies and practices begins in ESG due diligence at the transaction stage and continues through the hold period, as also described in items 16 and 18.

18) Do you engage with your investments' management teams on ESG issues? If so, please provide a recent example including the ultimate outcome.

Yes.

For a recent investment we incorporated targeted ESG data requests and management Q&As as part of our standardized ESG due diligence approach. During asset onboarding, we engaged in further collaboration with management to understand more fully how the company mitigates our identified ESG risks and potential ESG-related opportunities. The management team shared a detailed presentation that addressed our inquiries about environmental practices (e.g., energy usage, waste management, air emissions), social considerations (e.g., occupational health & safety, supply chain management, community relations) and governance factors (e.g., regulatory compliance, cybersecurity, data privacy). Our Director of Portfolio Management held a dedicated ESG session with representatives of the company's EHS & operations team that led to sharing leading practices, observations about peers' approaches and ideas to strengthen the company's current ESG plans (e.g., ESG engagement with key suppliers, product packaging, a consolidated ESG report).

19) Does ESG performance influence your decision to exit an investment and/or reinvest with a fund manager?

ESG performance is among the considerations that influence our investment decisions.

20) Do you measure whether your approach to ESG affected the financial performance of your investments? If yes, please describe your approach.

Given the pervasive nature of ESG risks and opportunities, attributing overall financial performance to specific ESG factors (e.g., climate change, diversity & inclusion, supplier management) is difficult. We more broadly ensure that our Board representatives and portfolio managers are knowledgeable about key ESG considerations that need to be embedded in a portfolio company's business model, strategy, risk management and performance objectives.