

Clairvest's Approach to ESG

Environmental, social and corporate governance (ESG) refers to three key factors in measuring sustainability and the ethical impact of an investment in a company or business.

Clairvest has a long history of considering ESG factors in its investments and the conduct of our business more generally. Clairvest has been involved in many businesses over the years and appreciates that a proper evaluation of these considerations is more nuanced than on the surface. We believe consideration of ESG factors to be consistent with our stated purpose of partnering with entrepreneurs to build strategically significant businesses. Building strategically significant businesses is more than generating excellent returns for our investors. It also involves:

- Creating value for all stakeholders (including employees, customers and others who interact with Clairvest and our portfolio companies)
- Fostering progress and efficiency
- Creating employment
- Contributing to economic growth
- Supporting the communities in which we live

Environmental Considerations

Clairvest understands the importance and value of environmental sustainability, strives to be environmentally responsible in the conduct of our business and actively seeks out investment partners that do the same.

- Clairvest is one of the most prominent investors in the North American recycling and waste management industry and has an investment track record in the industry dating back to 2006. Clairvest's current portfolio includes investments in: (i) Winter Bros. Waste Systems of Long Island (a solid waste collection, transfer and recycling company based in Long Island, New York); (ii) DTG Recycling Group (a leading Pacific Northwest focused construction and demolition material collection and recycling company based in Seattle, Washington) and (iii) Arrowhead Environmental Partners (a non-hazardous solid waste management company in the Northeastern United States). Prior investments in the sector include: (i) County Waste of Virginia (a regional solid waste collection, transfer and recycling company based in Virginia), (ii) Oak Ridge Waste (a regional solid waste collection, transfer and recycling company based in Connecticut), and (iii) Hudson Valley Waste (a regional solid waste collection, transfer and recycling company based in greater Albany New York). Clairvest, through its investment partners, has been at the forefront of recycling both in construction and commercial / industrial waste streams as well as residential waste streams. For example, our investment in 2006 with Winters Bros. involved eight transfer and recycling facilities with millions invested in recycling lines that were focused on separating valuable commodities such as wood, cardboard and metal from the residual waste within construction debris and commercial waste. Our investment in Hudson Valley Waste in 2010 was largely premised on the implementation of the first state-of-the-art (at the time) single stream recycling (SSR) facility primarily serving the residential recycling needs of the capital region of New York. As another example, Oak Ridge Waste invested over \$5 million constructing a new construction and demolition recycling and transfer facility while Clairvest was an investor. These operations dramatically increased recycled percentages in their respective communities and

reduced waste volume heading to landfills. Across all of our waste management portfolio company investments, the capital invested in recycling facilities, particularly for SSR operations, has totaled well in excess of \$30 million (not including the investments in modern containers and trucks) and these investments have been heavily supported by Clairvest. In addition, Clairvest was, through its partners in the recycling and waste industries, also an early adopter and proponent of automated-side-loader residential collection trucks which improved the number of pick-ups per day per truck from 300-500 homes per day with a conventional rear load truck to 1000-1200 homes per day thereby reducing the number trucks required to service a given base of customers which generates several benefits to the community including reduced emissions. Properly executed, advancing recycling can be both a profitable and responsible endeavor.

- Clairvest is a prominent investor in the renewable energy industry and has been working in the sector for years. Clairvest's current portfolio includes an investment in NovaSource Power Services (the leading independent solar operations and maintenance company in North America). Prior investments in this sector include Also Energy (the leading solar monitoring and controls provider based out of Boulder, Colorado). Clairvest understands and applauds the growth of the renewable energy industry and expects to stay active in the industry for some time. The companies which Clairvest are helping to build in the sector are enabling the commercialization of solar energy by improving the economics, lifespan and output of solar energy plants across the world.
- Clairvest does appropriate environmental due diligence on all of its investments which often includes obtaining Phase I and Phase II environmental reports from environmental consultants on leased and owned real property. In addition, we often hire specialized environmental counsel for investments in industries such as waste management. The outcome of this work is crucial to our overall decision to invest in a company. Clairvest also reviews the practices of our investment partners to ensure proper procedures are in place to respect the environment (be it air, water or ground) through compliance with regulations and eventually industry best practices.
- The individual portfolio companies have standalone governance (board of directors) which includes representatives of Clairvest. These individuals are advised to strongly encourage our portfolio companies to comply with all environmental regulations and, to the extent feasible, to incorporate the best-in-class practices advocated by industry associations when those standards exceed regulations.
- Clairvest does consider the environmental impact of its investments but appreciates that this must be done within the context of customer requirements and alternatives.

Social Considerations

Clairvest cares about its employees, their families, and the communities in which we live and work and strives to do the right thing and act with integrity in its investment decisions and conduct of our business more generally.

Employees

- Clairvest has created an experienced team, united by a common vision for building value in the companies we support and the positive spin-off impacts of doing so responsibly.

- Clairvest employees are hired on the basis of their ability to add value relative to their position. People of all races, religion, gender and sexual orientation are encouraged to apply and are equally welcome.
- Clairvest's employees are a tight-knit group of individuals who work exceptionally hard and enjoy each other's company. Clairvest supports its employees through various health and wellness initiatives. The health and wellbeing of our employees is paramount.
- Clairvest wishes for its employees to succeed and has well-established mentoring, training and feedback programs to help with this. All employees at Clairvest are part of our team and each is valued. We attempt to foster a culture where input is solicited from each team member. We pride ourselves on having a flat organizational structure, divorced from internal politics, where employees are hired, succeed and thrive based on merit.
- Clairvest believes in having an investment team comprised of people with diverse backgrounds and is actively encouraging people with backgrounds different from those currently at Clairvest to apply. Consistent with this goal, Clairvest is partnering with the University of Toronto's Rotman School of Finance on initiatives to promote the increase of women in the Canadian private equity industry. As part of this initiative, Clairvest will be promoting the mentorship and training of female MBA students who may have an interest in private equity, and is actively developing new approaches to recruit female associates.
- Clairvest complies with or exceeds applicable employment and labor laws and standards, including respecting human rights, offering competitive compensation and hiring in a nondiscriminatory fashion.
- Clairvest has a comprehensive code of conduct, for which we train our employees on an annual basis and for which they certify their compliance. Among other things, the code of conduct includes:
 - Prohibiting illegal activities such as bribery and facilitation payments
 - Guidance on political contributions and lobbying
 - Adhering to human rights legislation
 - Prohibiting discrimination and harassment in the workplace
 - Complying with occupational, health and safety laws
- Clairvest employees receive periodic training on matters related to living up to our ideals.
- Clairvest promotes safe work environments in its businesses and has a "safety first" mindset in its portfolio companies with higher risks of serious injury.
- Clairvest and its employees have embraced our articulated values which ground not only our culture, but how we act:

- **Partnership**

- We respect each other's capabilities
- We treat others the way we want to be treated
- We succeed together, empowering others and sharing credit

- **Integrity**

- We say what we mean and meet challenges head on
- We do what we say
- We do the right thing

- **Tenacity**
 - We embrace analytical rigor and objective inquiry
 - We are relentless in our pursuits
 - We roll up our sleeves searching for the best outcomes
- **Open Mindedness**
 - We foster open debate
 - We seek continuous improvement and learn from our mistakes
 - We bring new ideas, approaches and visions
- **Long-term**
 - We create enduring and trusting relationships
 - We guard our reputation as our most important asset
 - We develop our firm and our portfolio companies to stand the test of time

Community Involvement and Philanthropy

- Clairvest employees are actively involved in their communities as volunteer board members and other volunteer positions. In addition, Clairvest, its employees and its directors have a significant track record of philanthropy in the community and have been recognized in this regard.

Social Considerations for Investments

- Clairvest prides itself on the jobs it has created with its investment partners, having created thousands of new jobs since its inception.
- Clairvest has always considered the societal impact of investment opportunities and has turned away investment opportunities on numerous occasions where such considerations have outweighed financial considerations.
- In addition to the recycling/waste management and renewable energy companies highlighted above, Clairvest's portfolio companies include (i) ChildSmiles, which is a New Jersey based dental practice providing families (children in particular) with access to high quality oral health care regardless of means and (ii) Top Aces, which plays a key national security role in Canada, Germany and elsewhere by providing airborne training to leading air forces. Past investments include Shepell.fgi (now part of Morneau Shepell), which grew under our guidance to become the leading provider in Canada of psychological support to employees of corporations through employee assistance programs. These are but just a few examples of the positive societal impact made by various of Clairvest's portfolio companies.
- Clairvest is also a financial investor in the gaming industry, having first invested in the industry in 2000. Clairvest is proud to be a part of the gaming industry, which is one of the most highly regulated industries in the world. The gaming industry provides significant gaming tax revenues to local governments, providing financial means for numerous social programs. As an active gaming investor, Clairvest is acutely aware of issues such as problem gambling and works closely with its operating partners to put in place industry leading programs and procedures to address

such issues. These programs and procedures include: (i) training to staff, (ii) enforcing self-exclusion programs, (iii) appropriate signage to encourage responsible gambling, and (iv) educational programs for patrons and employees. With proper regulation, controls and problem gambling programs, a tightly regulated gaming industry can be a legitimate and acceptable form of entertainment that funds important government priorities, including health care. Where gaming is not properly regulated and operated with properly vetted participants such as Clairvest, it most often takes place anyway and usually in a less responsible fashion and potentially with less scrupulous people.

Corporate Governance Considerations

Clairvest is committed to rigorous governance for its business and investments and has zero tolerance for unethical or illegal behavior.

Public Company Governance

- As a Canadian public company, Clairvest has rigorous governance procedures such as:
 - A board of directors comprised largely of independent directors;
 - An audit committee comprised solely of independent members with appropriate financial expertise;
 - Formal board meetings at least four times a year, which include detailed review of Clairvest investments;
 - Formal whistle-blower policy;
 - Comprehensive financial controls (which we provide certifications of on a quarterly basis in accordance with Canadian securities laws);
 - Comprehensive and transparent disclosure on executive compensation for senior executives.
- Clairvest commits meaningful resources to maintain its cyber/network security. Our approach includes: (i) investing in the appropriate hardware and software, (ii) regular training of our employees and (iii) appropriate insurance solutions. Clairvest regularly works with its portfolio companies to promote cyber/network security.
- Clairvest has zero tolerance for bribery (including facilitation payments to public officials) and similar unethical or illegal behavior. We have customary provisions in our organizational documents to disassociate ourselves from investment partners who engage in any such activities. We are extra vigilant on such matters given our status as a public company and our participation in highly regulated industries such as gaming, waste management and defense.

Due Diligence

- Clairvest does extensive background checks on our investment partners before we make an investment.
- Clairvest screens investment partners and potential limited partners for political sanctions.
- Clairvest screens new limited partners for AML issues.
- If Clairvest is considering an investment in a jurisdiction we have not previously invested, we do significant due diligence on country/political risk issues, working with the Canadian Embassy,

North American based companies with experience in the jurisdiction, professional advisors such as law firms and accounting firms and consultants.

Governance for Portfolio Companies

- Clairvest is an active investor in its portfolio companies and requires, among other things, (i) board representation, (ii) comprehensive investor approval rights and (iii) detailed monthly and annual reporting on company performance and other matters which are material. Clairvest typically has at least two members of its investment team on the board of directors of a portfolio company and has comprehensive board meetings at least once a quarter. The boards of portfolio companies are often encouraged to include independent board members to encourage fresh/independent perspectives.
- When Clairvest invests in public companies, we generally insist on board representation and vote in all company shareholder meetings.

ESG Process

- Clairvest has an industry first approach to investing (we select promising industries, become experts/thought leaders in those industries and then, ideally, make repeated investments). We consider ESG factors when we consider new industries to invest in.
- Our evaluation of each new investment includes consideration of ESG factors.
- We discuss with our portfolio companies our approach to ESG and encourage implementation of policies or other initiatives to the extent economically rationale.
- Clairvest investment team members are trained on consideration of ESG factors and our ESG policy on a periodic basis.

Effective Date and Review of ESG Policy

These ESG policies are current as of May 1, 2023 and will be reviewed on an annual basis thereafter.