



INVESTING FOR A BETTER FUTURE.

How Kensington integrates Environmental, Social and Governance (ESG) factors in our business.



TABLE OF CONTENTS

3 FORWARD

4 OUR APPROACH

7 OUR PEOPLE

8 OUR PORTFOLIO

13 OUR PATH FORWARD

14 CONTACT US

Investing For a Better Future.

For over 25 years, our organizational purpose has been to build great businesses, partnerships, and communities. In doing so, we strive to provide investors with access to a diversified portfolio of top performing alternative investments. As businesses increasingly bring Environmental, Social and Governance (“ESG”) considerations to the forefront, we continue to integrate ESG more fully into how we manage our business and our investment decision making process. We recognize the increasing focus on ESG by investors, employees, and other stakeholders. We believe that integrating ESG into how we work with our portfolio companies can help identify business risks and opportunities, and ultimately help drive value creation. Of course, our primary mission remains to generate strong risk-adjusted financial returns for our investors. We do not style ourselves as impact investors that place ESG considerations above all else. Our strategy continues to honour and respect the trust placed in us by our investors, while we increasingly identify opportunities to enhance the ESG objectives that are so important to all of us.

This update provides an overview of our ESG strategy at Kensington, while highlighting several recent tangible examples of how our strategy is reflected across our investment portfolios. We believe our strength is our people—they’re at the heart of everything we do—and the diversity of our team is a true reflection of our community. It enables us to make better decisions, deliver better performance, and provide the best service to our clients.

Businesses today are navigating through challenging and rapidly changing environments. We are committed to working with our portfolio companies towards a common goal of increasing sustainability and inclusiveness, factors that we believe will be vital in transforming the future.

While this is only the beginning of our journey, it shows how far we’ve come and how much positive impact we can achieve when people, businesses and communities join forces. We look forward to continuing to deliver strong investment returns and creating positive change within the companies and communities in which we operate.



THOMAS KENNEDY
Chairman and Senior Managing Director



RICHARD NATHAN
Senior Managing Director



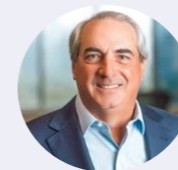
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EAMONN MCCONNELL
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WIN BEAR
MANAGING DIRECTOR



ANNIE BELANGER
ASSOCIATE



ROLAND BORAM
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JORDAN BRUCE
PRINCIPAL



CHRISTINE CHAN
EXECUTIVE ASSISTANT



LIAM CHEUNG
MANAGING DIRECTOR



POLA CHROSTEK
ASSOCIATE



ALFRED CHUANG
MANAGING DIRECTOR AND CFO



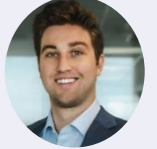
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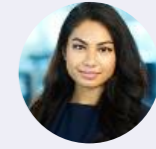
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SENIOR ASSOCIATE



DANIEL PHAM
ASSOCIATE



JAMI POOLE
ADMINISTRATIVE ASSISTANT
AND RECORDS



JESSICA SALVADOR
DIRECTOR



ADAM ZHARDANOVSKY
ANALYST



ELAINE TURNBULL
MANAGER

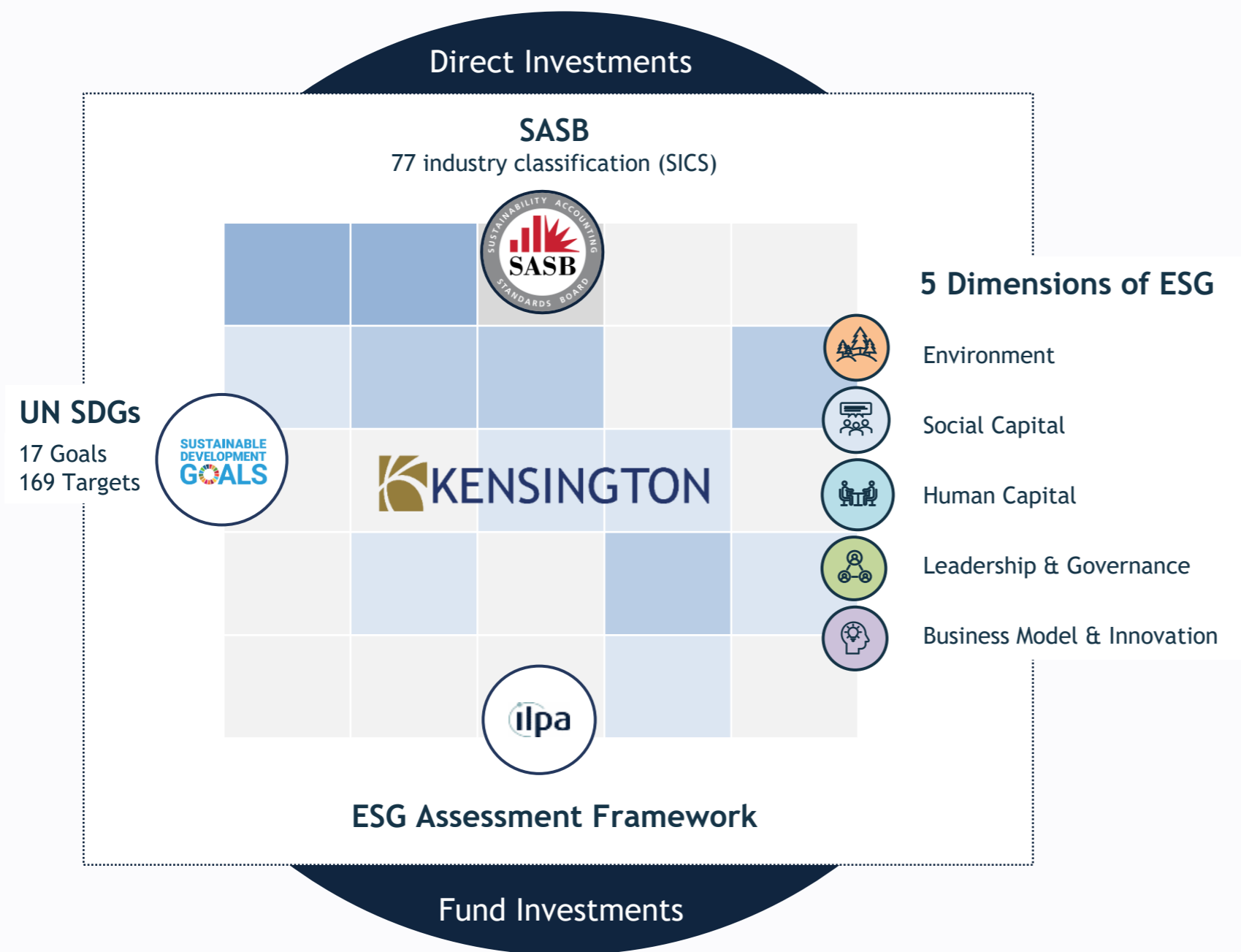


JENNIFER WOO
MANAGING DIRECTOR AND
GENERAL COUNSEL



YIWEI ZHANG
MANAGER, INVESTMENT FINANCE

Our ESG Framework



Kensington follows a framework for ESG, consistent with our investment screening and selection process that includes a fact-based approach, a balance of qualitative factors and situational context, and personal alignment in principles and conviction.

Additionally, the development of Kensington’s ESG framework is guided by the United Nations Sustainable Development Goals (UN SDGs), the Sustainable Accounting Standards Board (SASB), and the Institute of Limited Partners Association (ILPA).

Our Approach to ESG

Across our investments, we assess material ESG factors for each new investment, specifically focusing on the nature of each company and the industry in which it operates. We seek to identify ESG risks and how they can be mitigated, as well as how ESG factors may help uncover value creation opportunities. In assessing materiality, we consider a broad range of resources, but ultimately our approach is guided by the Sustainable Accounting Standards Board (“SASB”). These standards focus on those ESG issues that are expected to have a financially material impact on a company and are aimed at serving the needs of most investors and other providers of financial capital. SASB groups such issues into five “sustainability dimensions”: the environment, human capital, social capital, business model and innovation, and leadership and governance. Examples of these five dimensions are given below:

Environment

- Air and water pollution
- Climate change
- Resource use and efficiency (energy, water)
- Waste and hazardous materials management
- Land use

Human Capital

- Employee health and safety
- Employee engagement, attraction and retention
- Diversity and inclusion
- Labour practices and human rights

Social Capital

- Human rights and community relations
- Consumer safety
- Customer privacy and data security
- Product quality and safety

Business Model and Innovation

- Business model resilience
- Supply chain management
- Materials sourcing and efficiency
- Product design and lifecycle management

Leadership and Governance

- Business ethics and competitive behaviour
- Board quality and diversity
- Executive compensation
- Strategy and risk management

ESG is an opportunity, not a constraint

Kensington views ESG factors as contributors to business success and thereby, investment performance. The increasing demand for transparency, along with changing expectations and public awareness of social and environment challenges, collectively present unique opportunities to us as forward-thinking investors.

ESG is both an investment and operational criteria

Kensington incorporates ESG considerations in our investment due diligence, portfolio composition and investment decision making process. In addition, Kensington incorporates these considerations into our own business practices including diversity, equity and inclusion, and the way we govern and conduct ourselves with our investor, partners, and stakeholders.

ESG as risk management

Not every ESG factor will be material to all businesses and sectors. Accordingly, Kensington identifies and assesses the risks to individual companies based on what is financially and operationally material to the specific business model.

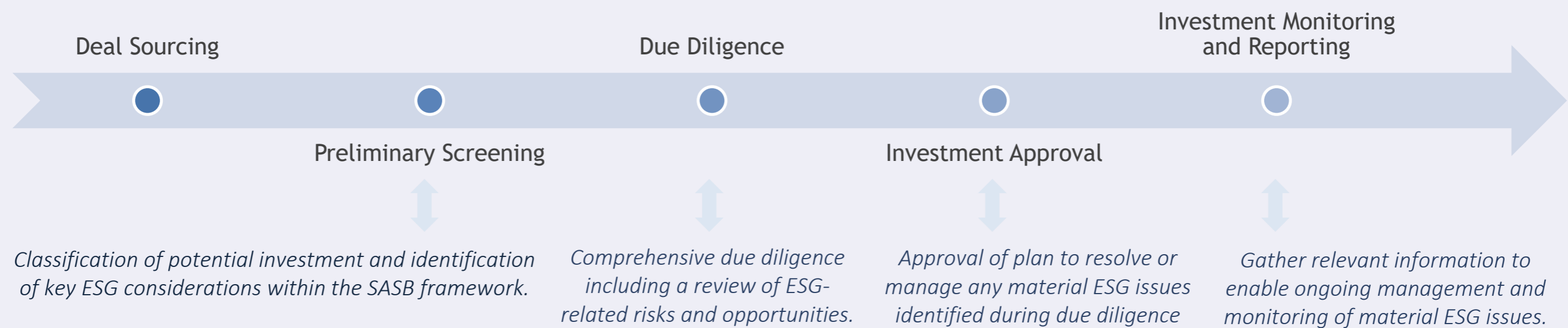
Kensington's ESG Operating Model

We strive to incorporate relevant ESG principals throughout the entire investment process, from deal sourcing to value creation and investment management, taking into consideration our degree of control and influence in any given investment. Kensington has adopted the ESG framework established by the SASB to classify our portfolio companies and to assist in the identification of potential ESG risks. We want the management teams of our portfolio companies to be aware of our approach to ESG, and to consider these factors in the management of their companies.

The Kensington ESG Committee comprises of Alfred Chuang, Chief Financial Officer and Managing Director, Martin Kent, Managing Director, and Barbara Stewart, Kensington Advisory Board.



Investment Process



ESG Integration

Diversity, equity and inclusion are a foundation of Kensington

Diverse perspectives drive innovation, increase organizational agility and strengthen resilience to disruption. Kensington has developed several initiatives to promote diversity and inclusion within our organization and the private equity industry in general.

Kensington Women's Forum

Kensington has developed an innovative strategy to encourage more women to enter the technology and venture capital sectors through the promotion of role models and mentors for aspiring candidates. Barbara Stewart, a member of Kensington's advisory board and a leading expert on the topic of Women and Finance, spearheads Kensington's Women Forum, which promotes enhanced diversity and gender balance within Kensington and the broader Canadian venture capital industry. Kensington Women's Forum fosters a supportive community and promotes opportunities for the women of Kensington to advance their careers within venture capital.

Trailblzrs.com

Gerri Sinclair, a former Kensington partner, now retired, collaborated with Barbara as the driving force behind the management and completion of the trailblzrs.com project, a resource that consists of 500+ video interviews, primarily women, who share their stories and advice to inspire others in the Canadian technology and venture capital sector.

Workplace Diversity & Inclusion

We recognize the importance of promoting enhanced diversity and gender balance. In 2022, we introduced a diversity & inclusion self-declaration for all Kensington employees, utilizing the ILPA diversity & inclusion definitions on gender, sexual orientation, race and ethnicity and physical disability—36% of team members identify as female and 43% identify as members of BIPOC.

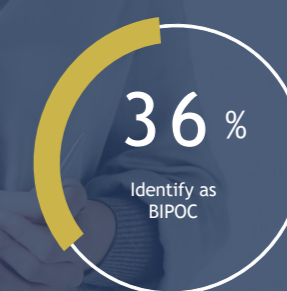
Workplace Well-being

We strive to provide our employees with top level benefits and programs to support their well-being, a strong emphasis on health & safety, and a collaborative work environment including a flexible remote working policy. The team also has access to an online mental health benefit program through LifeSpeak, one of our portfolio companies, that offers leading mental health and wellbeing content from experts in their field.

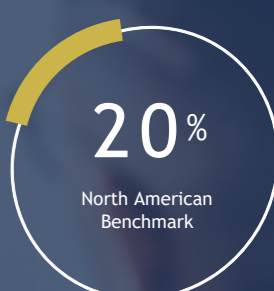
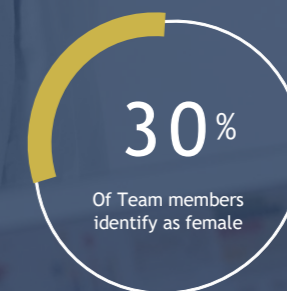


The Kensington team consists of 36 individuals based in Toronto, Vancouver and Calgary, including 17 investment professionals:

All employees



Women on the team



The data provided is based on information collected from our internal voluntary diversity census. As of May 31, 2022.

ESG in Action Across our Portfolio

We are delighted to highlight some of our companies that are at the forefront of ESG, creating inclusive work environments and driving sustainability, while generating superior returns. More detail on each company can be found on the following pages.



Reducing plastic waste through plant-based plastics and sustainable composting technologies



North America's market leader in developing and manufacturing premium acid-etched glass and quality mirror for 75 years



Specializing in the design, fabrication and assembly of contemporary timber structures by working with solid wood, the world's most flexible and only renewable building resource



Creating energy savings for commercial businesses through software-based management



One of North America's leading majority Black-owned venture capital firms



Body-positive lingerie led by Black woman founder and two Black women Co-CEO's



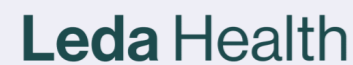
Mental health and wellness platform committed to taking care of employees and enabling wellbeing



Canada's largest independent network of surgical centres



Technologically advanced express tunnel car wash that uses state of the art computer systems, advanced wash equipment and a sophisticated water reclamation system to deliver environmentally friendly washes



Mission to assist sexual assault victims by revolutionizing forensic evidence collection and testing technology, connecting survivors with professional and supportive communities



Shiza Shahid, a Pakistani businesswoman, leads a home-cooking products retailer focused on culture and connections.



Integrated lumber and power producer in Northern Ontario in partnerships with three First Nations including the Netamisakomik Anishinabek, the Missanabie Cree, and the Chapeau Cree

pela

SELECTED SASB RELEVANT ISSUE: PRODUCT DESIGN AND LIFECYCLE MANAGEMENT

SDG 14 - LIFE BELOW WATER

- Develops products made of “environmentally sensible” materials
- Climate Neutral Certified with Pela 360 program to recycle old phone cases
- Developed the world’s first compostable phone case,
- Also makes compostable sun glasses, watch straps, etc.
- Developed LOMI—smart kitchen composter for counter-top use. “Big Hairy Audacious Goal” —to create a waste-free future
- Core values: community, creativity, consciousness and courage. “Live with awareness and consciousness of the impact of our choices. We are mindful of the impact of even the smallest decisions.”



WALKER

SELECTED SASB RELEVANT ISSUES: BIODIVERSITY IMPACT, MANAGEMENT OF CHEMICALS

SDG 15 - LIFE ON LAND

- Market leader in the manufacture and marketing of acid-etched glass and mirrors.
- Recently developed “bird friendly” glass with etched patterns on the outside of the glass providing the greatest chance for birds to identify the etched surface and avoid collision
- Significant legislative efforts in place and underway to ensure buildings are made safe for birds as part of sustainable environmental and building practices
- State-of-the-art environmental control, recycling and treatment equipment to handle waste water and air emissions
- Extensive efforts to recycle all the glass and mirror that would otherwise be headed to landfills



ELEMENT5

SELECTED SASB RELEVANT ISSUES: ECOLOGICAL IMPACTS, DESIGN LIFECYCLE MANAGEMENT, RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG 13 - CLIMATE ACTION

- Specializes in the design, fabrication, and assembly of modern cross-laminated timber (“CLT”) buildings for residential and commercial use
- Wood is a sustainable building material--the only building material that is renewable, and the only material that can provide a net carbon benefit
- Partnerships with mills that protect the environment and support diverse forest values and inclusive community outcomes
- Off-site prefabrication of construction materials improves worker health and safety
- More sustainable alternative than traditional steel and concrete production which is one of the leading causes of CO2





SELECTED SASB RELEVANT ISSUE: EMPLOYEE ENGAGEMENT, DIVERSITY AND INCLUSION

SDG 3 - GOOD HEALTH AND WELL-BEING

- Premier on-line platform that helps companies support their employee's mental health and well being
- Companies use Lifespeak software to offer their employees expert education and advice to tackle day-to-day challenges
- Modules that address a variety of topics including mental health, physical & preventative health, resilience & mindfulness, relationships & communication, financial health, parenting & elder care, etc.
- COVID and the shift to remote and hybrid work models increased the focus on employee's mental health for many organizations
- The company went public on the TSX in July 2021



SELECTED SASB RELEVANT ISSUE: ACCESS AND CUSTOMER WELFARE

SDG 3 - GOOD HEALTH AND WELL-BEING

- Canada's largest independent network of surgical centres
- Primarily elective surgeries--orthopedic, weight loss, ear, nose and throat, etc.
- Working closely with the provincial health ministries across Canada to reduce wait times and the costs involved in providing Canadians with timely access to health care
- Striving to be the "surgical partner" for provincial health ministries
- More efficient and lower cost with same high-quality care delivered by world-class surgeons
- Recently hired Laurie Hogue, a highly experienced health care executive, as CEO
- Values: quality, compassion, innovation, and respect



SELECTED SASB RELEVANT ISSUE: WATER SUPPLY RESILIENCE

SDG 12 - RESPONSIBLE CONSUMPTION AND PRODUCTION

- Facilities provide conveyORIZED express tunnel car wash using state-of-the-art technology
- Focus on an environmentally responsible car wash by using state-of-the-art water reclamation technologies and conservation strategies including precisely monitored water use, water recycling, eco-friendly soaps and waxes, contaminant and sediment collection and safe disposal



GRIDPOINT

SELECTED SASB RELEVANT ISSUE: ENERGY MANAGEMENT

SDG 11 - SUSTAINABLE CITIES AND COMMUNITIES

- GridPoint's mission is to accelerate the world's transition to a sustainable energy future by creating a network of smart, efficient, grid-interactive buildings. By transforming the way commercial businesses use energy, GridPoint unlocks the decarbonization, sustainability, and grid resiliency required for a cleaner, more efficient tomorrow. GridPoint does this by acting as a bridge between commercial buildings, electric utilities and technology innovators
- GridPoint offers its commercial customers a subscription-based platform that leverages AI, machine learning, and controls to optimize a building's energy consumption, provide facility insights, integrate new technologies, and delivery immediate cost savings. These buildings, networked together, provide utilities with reliable, precise, and instantaneous capacity. The company is growing rapidly and today serves nearly 15,000 paying sites with key customers, including Walgreens, Burger King, Chipotle, and Amazon



SELECTED ILPA RELEVANT ISSUE: RESPONSIVENESS TO DIVERSITY, EQUITY AND INCLUSION

SDG 10 - REDUCED INEQUALITIES

- We are the co-lead investor in this majority Black-owned venture fund based in Los Angeles and San Francisco
- Over 60% of the portfolio have founders that identify as women or people of colour
- Culture and impact are the key drivers of the Firm's deal sourcing and evaluation process. Every company they invest in must have demonstrable impact and plans for continued impact on key issues facing consumers. MVP's portfolio companies embrace positive values including sustainability, empowerment, inclusivity, accessibility, convenience, health & wellness and personal expression



SELECTED SASB RELEVANT ISSUE: DIVERSITY, EQUITY AND INCLUSION

SDG 5 - GENDER EQUALITY

- Lingerie company founded by Rihanna, the Barbadian singer, actress, fashion designer and businesswoman
- Rihanna and Christiane Pendarvis, two prominent Black businesswomen, lead the business operations day-to-day as Co-CEOs.
- Savage X Fenty emphasizes confidence, inclusivity of all body types and backgrounds



Leda Health

SELECTED SASB RELEVANT ISSUE: PRODUCT SAFETY AND CUSTOMER WELFARE

SDG 3 - GOOD HEALTH AND WELL-BEING

- Promotes safety and social justice by distributing evidence kits for sexual assault victims
- Partners with colleges and communities to provide sexual assault after-care, healing, and prevention tools aimed at helping more survivors access resources
- Leda Health takes a holistic, survivor-focused lens to address the diversity of needs and inspire community wellbeing



Our Place

SELECTED SASB RELEVANT ISSUES: PRODUCT, ENVIRONMENTAL, HEALTH AND SAFETY PERFORMANCE AND EMPLOYEE, INCLUSION AND PERFORMANCE

SDG 2 - ZERO HUNGER

- Led by Shiza Shahid, a Pakistani businesswoman, and her husband Amir Tehrani
- Our Place is a direct-to-consumer (“DTC”) online brand selling houseware and kitchenware items with a mission of breaking down barriers through the promotion of inclusivity through cooking. The Company creates products and experiences that celebrate cultures, honor traditions, and cultivate connections.
- The Company places great emphasis on its commitment to being an ethical and inclusive brand. The Company maintains a sustainability-driven supply chain and a majority female and Black, Indigenous, and People of Colour (“BIPOC”) in-house team, while also engaging with non-profits and offsetting its own carbon emissions
- Partners with charities, like Feeding America to donate over 200,000 meals to help fight hunger during COVID-19



SELECTED SASB RELEVANT ISSUE: ECOLOGICAL IMPACTS, PRODUCT DESIGN AND LIFECYCLE MANAGEMENT

SDG 8 - DECENT WORK AND ECONOMIC GROWTH

- Fully integrated lumber and power producer in Northern Ontario
- We invested in the company in partnership with three First Nations including the Netamisakomik Anishinabek, the Missanabie Cree, and the Chapleau Cree, with the White River Economic Development Corporation as active business and ownership partners in the company
- WRC is a community-based venture converting renewable forest resources into quality products while protecting the environment and creating long-term social, cultural, and economic benefit for the region and its people



Turning purpose into measurable progress

We're proud of what we've accomplished and excited about what we'll achieve in the years ahead. There's no growth without continuous improvement and our goal is to become even better.

We look forward to continuing to create long-term value, sustainability, and positive impact in the companies and communities in which we operate.



Founded in 1996, Kensington is a Canadian alternative asset manager with offices in Toronto, Calgary and Vancouver. Kensington manages over \$2.6 billion of assets invested in private equity, growth equity, venture capital and other complementary alternative strategies. Our purpose is to build great businesses, and in doing so, create top-performing investment solutions for our investors. The Kensington investment platform is designed to provide access to a diversified portfolio of alternative strategies offering strong, risk-adjusted returns and very low correlation to public markets.

For over 25 years, our focus has been to invest in high-potential companies with exceptional management teams and provide the necessary resources to take them to new heights. We are highly committed, long-term partners with a broad perspective and an entrepreneurial mindset. We believe active management and a relationship-driven approach to investing pave the way to drive growth and build value.

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