

INSTAR

Powering Potential

INSTAR ASSET MANAGEMENT | ESG REPORT 2025

Signatory of:  PRI | Principles for Responsible Investment

Instar Asset Management Inc. is an independent private capital firm focused on North American middle-market opportunities in the infrastructure sector and other alternative real asset categories.

We invest in distinctive companies that deliver essential infrastructure solutions and value to communities, partners and investors, helping us to fulfil our purpose of enriching people's lives. Our vision is to be North America's leading middle-market private capital platform by fostering meaningful relationships, cultivating entrepreneurialism, sparking innovation and supporting one another, our partners and the communities we serve. Our mission is to generate attractive risk-adjusted returns for our investors from responsible, long-term investments that improve North America's essential infrastructure and to help drive economic and social value for current and future generations. At Instar, we believe our success is best measured in what we can help others to achieve.



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Message from the CEO



Over the past year, people, businesses and communities across North America and around the world have been impacted by a highly volatile geopolitical and macro environment. We are in an era of growing complexity, shaped by an ever-changing landscape of disruptive environmental, technological, political and socioeconomic challenges in search of resilient, long-term solutions.

At Instar, we have always focused on ensuring our people and companies are prepared to be resilient. Essential industries, and the businesses we invest in,

are typically able to absorb short-term shocks and gravitate to recovery and rebalancing over time. In this landscape, the lens through which we evaluate investments and how we manage our portfolio companies requires integrating ESG at the core of our strategy. It guides our investment decisions, creates value for investors and other stakeholders, and empowers both our employees and portfolio companies to reach their full potential.

In our fourth annual ESG report, we highlight our strategy, initiatives and measurements at the corporate level and across our portfolio that shape our potential for impact and drive long-term value.

Our Purpose

Instar's purpose as an organization is to enrich people's lives through the investments we make, how we engage with and support our employees and how we create value for stakeholders in a manner that contributes to broader social and economic progress. We have found that purpose-driven companies tend to be more successful companies with deeper connections to their customers and communities, better employee relations and a focus on delivering solutions rather than a product or service. People are at the heart of what we do, and we are committed to helping great people, companies and communities become even better.

Our Opportunity

As a value-added manager, it is our role to ensure the longevity and competitiveness of our portfolio companies by helping them to develop their

advantages, identify and leverage emerging opportunities arising from change, and eliminate barriers to innovation and growth. This includes evaluating ESG risks and opportunities that could impede, or unlock, value for our investors in a changing world.

Our purpose of enriching people's lives anchors the Instar Way and how we power potential for our employees, portfolio companies, investors, partners and other stakeholders

A key lesson learned over the last five years is the need to "expect the unexpected". As we continue to face geopolitical and economic uncertainty, we must remember that increased uncertainty does not necessarily mean increased certainty of poor outcomes. Rather, uncertainty has the potential to drive creativity, innovation and entrepreneurship, leading to incredible opportunities. As a long-term responsible investor and active manager, we have an opportunity to help essential businesses adapt and thrive in new ways to deliver tangible environmental, social and community benefits.

Our Way

Our success is best measured in what we can help others to achieve: our employees and many partners across our platform, the companies we invest in and

the communities we serve. Instar's playbook is one I have used throughout my entire career – it is repeatable, scalable and rooted in how we help great companies to become even better.

ESG is deeply embedded in Instar's purpose, culture and leadership strategies – it is in our DNA – and guides how we act with purpose to drive meaningful outcomes and tangible value across our platform. We work closely with our portfolio companies to facilitate transparent discussions about material ESG factors and move beyond measurement to integrate ESG into every aspect of their business.

In the years ahead, I believe strong ESG practices, integration and engagement across organizations and with stakeholders will be critical to building more sustainable, resilient businesses that meet people's evolving needs. We appreciate the continued support of our many partners and look forward to sharing how we are powering potential across our platform to elevate our ESG performance and broader contributions to social and economic progress.

Yours truly,

Gregory Smith
President and Chief Executive Officer

Instar At-a-Glance

We are passionate about contributing to the development of sustainable and resilient communities, and believe we have a fiduciary duty to proactively address material ESG risks and opportunities as part of our investment and value creation strategies.



Sarah Borg-Olivier, Chief Operating Officer and SVP; George So, Managing Partner; Gregory Smith, Founder, President and Chief Executive Officer; Minnie Chan, Chief Financial Officer

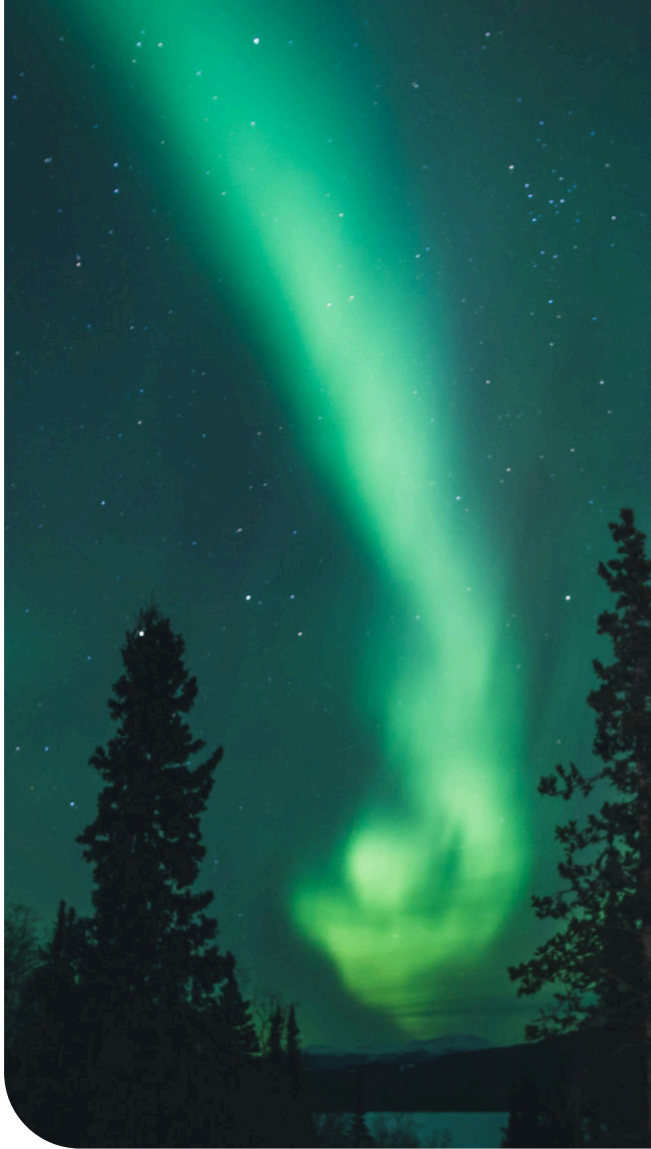
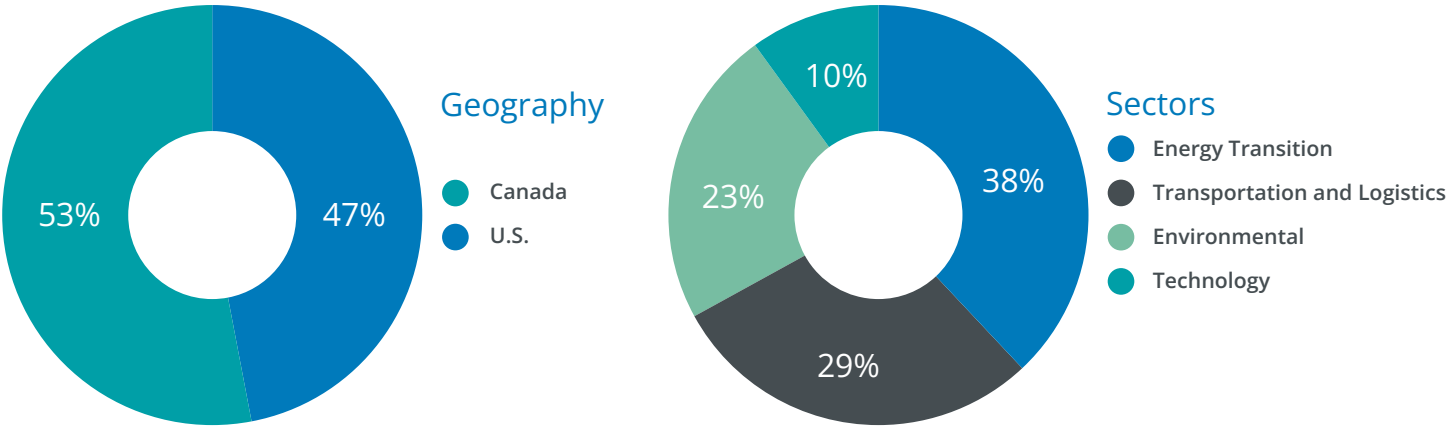
Our Executive Committee has invested in time, capital and talent to develop and implement Instar’s ESG strategy at the corporate level and across our portfolio. With over 100 years of combined deep experience in private equity and infrastructure, our Executive Committee has observed a significant shift in stakeholders’ emphasis on ESG from an area of compliance to a key driver of value creation. We are proud of the “Instar Way”, integrating ESG considerations in our core business strategy from investment origination throughout the ownership lifecycle.

23
Employees

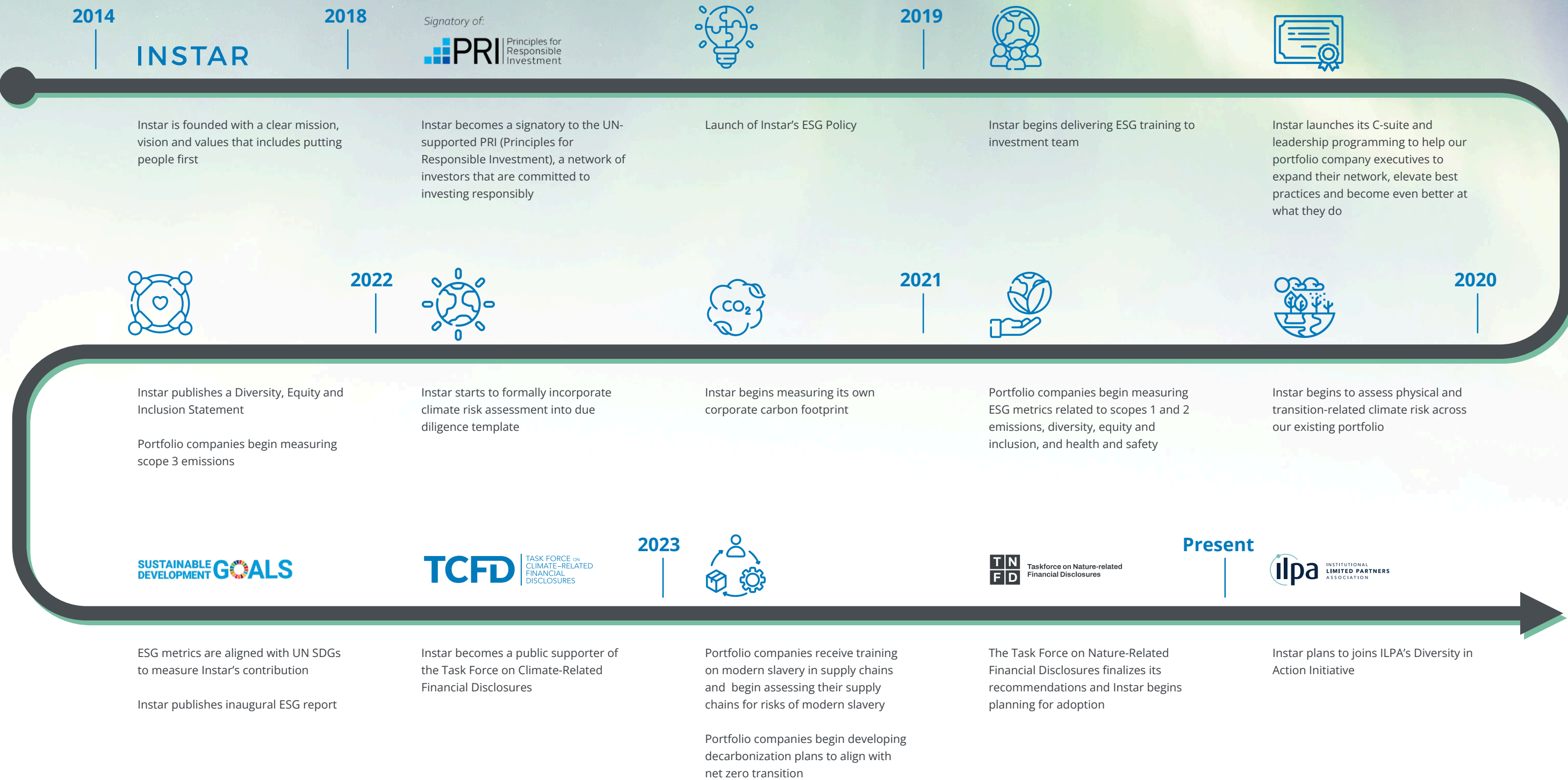
10
Portfolio Companies

39%
Women on the Team

~150
Years of Combined Experience

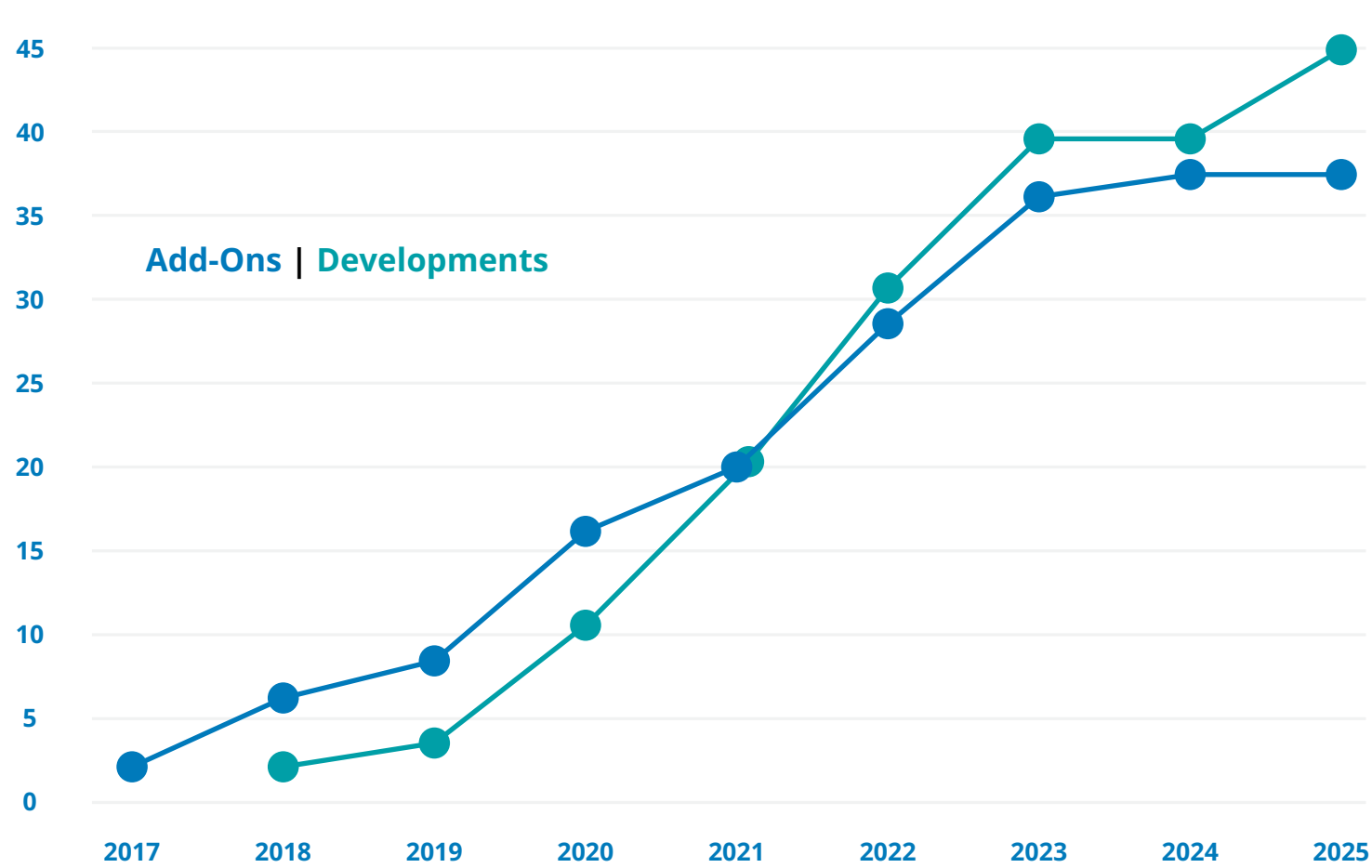


Our ESG Journey



Portfolio Overview

Our value creation playbook includes helping scalable companies grow through add-on acquisitions and greenfield developments, which we view as opportunities to drive value for investors and implement more sustainable ways to run businesses for the future.



Add-On: A company that is acquired and integrated into an existing portfolio company

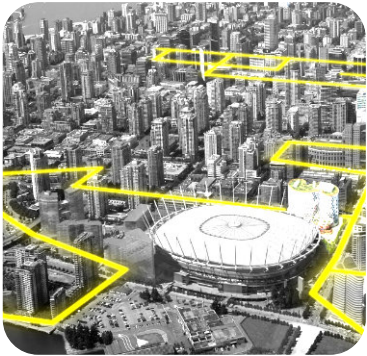
Development Project: An expansion project executed by the portfolio company – not the acquisition of a new company

37
Add-ons since inception

45
Developments since inception



In August 2025, **JET Infrastructure** completed a sustainable aviation fuel (SAF) blending project in Macon, Georgia, positioning the company as an early adopter of alternative fuel in the aviation space. SAF is derived from non-fossil sources or “feedstock” that, through its cultivation and production process, works to close the carbon cycle and achieve a significant reduction in life-cycle emissions relative to traditional jet fuel.



In 2021, **Creative Energy** completed the development of a district energy system at Horseshoe Bay and West Vancouver, which generates energy using a closed-loop ocean exchange system. Creative Energy’s innovative approach to green energy is producing reliable, on-site heating and cooling with tangible environmental, economic and resilience benefits for Horseshoe Bay and West Vancouver, and will continue to do so for decades to come.



In April 2023, **PRT** completed its acquisition of International Forest Company (IFCO), a Moultrie, Georgia-based producer of tree seedlings for reforestation in the US Southeast. As a trusted leader in advanced, high-value forest seedling genetics, IFCO brings extensive expertise in controlled mass pollination coupled with bareroot and container seedling stock to deliver consistently high yields of healthy, high-quality seedlings. Together, as a combined entity, PRT will operate 14 seed orchards and 28 nurseries, producing 630 million forest seedlings annually.

Portfolio Overview

Instar invests in mid-sized¹ niche businesses spanning North America that deliver differentiated essential products and solutions to partners, customers and communities. Essential businesses play a key role in improving quality of life, growing socio-economic opportunities and reducing inequalities by providing sustainable, resilient solutions such as electricity, water, heat and transportation.

Transportation and Logistics

- AVIATION INFRASTRUCTURE
 - JET Infrastructure
 - Skyservice
 - Skyservice US
 - Nieuport Aviation

Energy Transition

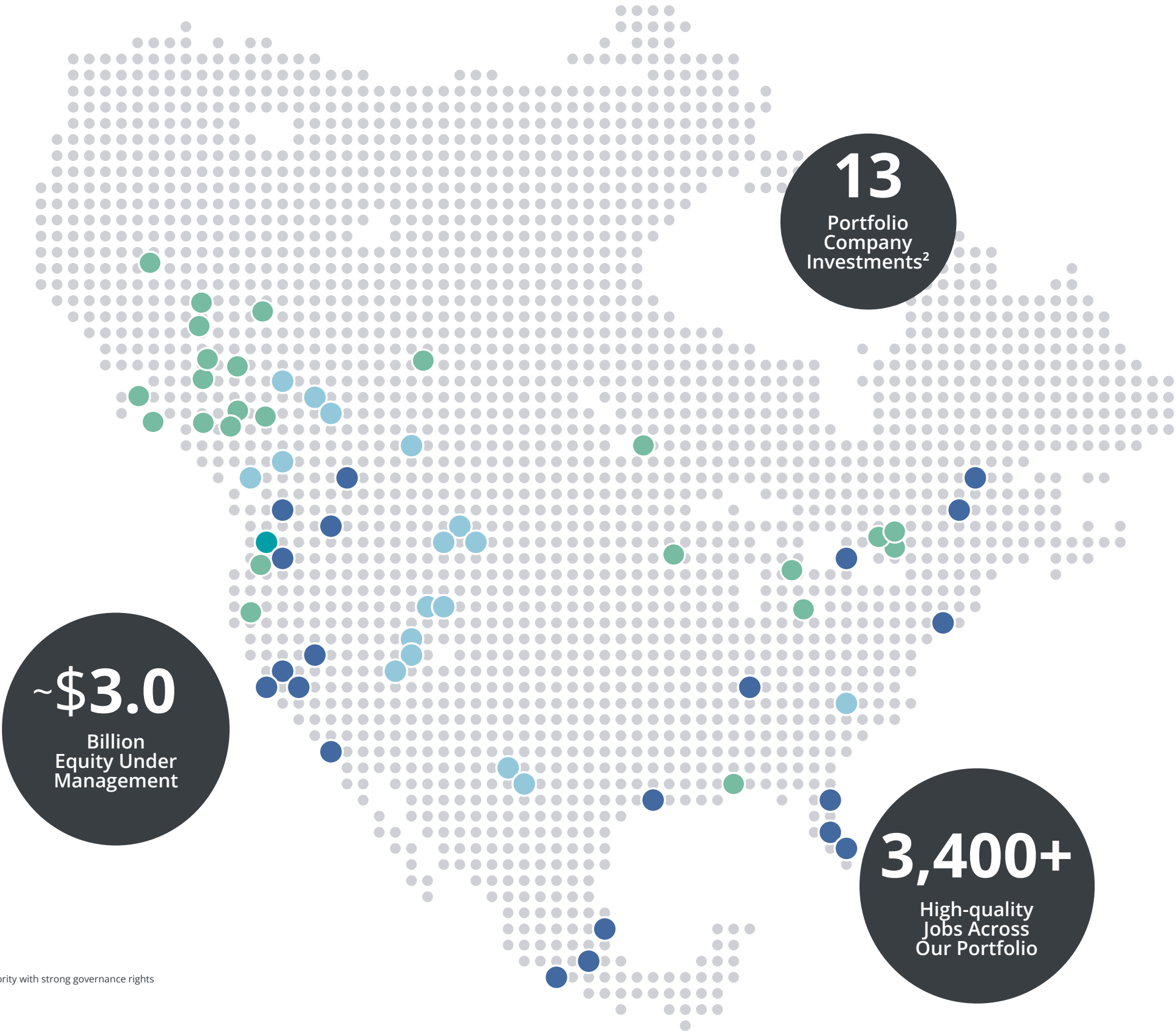
- COMPLEX LOGISTICS
 - AMPORTS
- LOW-CARBON ENERGY
 - Creative Energy
 - Okanagan Wind
- MIDSTREAM INFRASTRUCTURE
 - Steel Reef
 - Pilot Water Solutions³
 - MI Infrastructure

Technology

- FIBER
 - Lightspeed Networks

Environmental

- REFORESTATION
 - PRT Growing Services
- CONTROLLED ENVIRONMENT AGRICULTURE
 - Windmill Farms



¹Instar defines its middle-market opportunity set as businesses with an enterprise value of approximately \$100 million to \$500 million
²Includes three realized investments: Nieuport Aviation, Okanagan Wind and MI Infrastructure
³In Q3 2022, Oilfield Water Logistics merged with Pilot Water Solutions, resulting in Instar's ownership and control being reduced from a majority to minority with strong governance rights

UN Sustainable Development Goals



Instar aims to make a positive contribution towards sustainable development and the UN Global Compact’s Sustainable Development Goals (UN SDGs), with a focus on the following:

Our Purpose

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

We seek to invest in businesses providing essential products and solutions that leverage macro trends driving demand and growth. We contribute to building resilient infrastructure, promoting sustainable industrialization and fostering innovation by investing in market-leading essential businesses that enrich people’s lives.

Our Way

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

As active managers, we engage with our portfolio companies, working through the board and executive team, to prioritize health and safety, gender equality and decent work conditions. Every portfolio company board has a subcommittee responsible for health and safety and reports health and safety matters to the Board of Directors on a quarterly basis. We seek diverse candidates to join our portfolio companies as executive team members and directors of the board, as we understand the value in having diverse voices in decision-making roles. Finally, we ensure that our portfolio companies as employers comply with regulatory obligations as the minimum standard and strive for best practices within their respective industries, resulting in an engaged and more productive workforce, furthering economic growth for the communities in which we operate.

Our Portfolio Companies’ Impact

Many of our portfolio companies have an inherent underpinning contributing to the UN SDGs through their business activities and the essential services that they provide the communities within which they operate. Our portfolio companies continuously look to improve energy efficiency and lower costs, capitalizing on incentives for renewable energy, and to introduce new human capital, inclusiveness and community engagement strategies, among many others.





Steel Reef is a Canadian company and established player in the energy transition, gathering and redistributing wasted emissions to deliver low-carbon power to homes and businesses across the province of Saskatchewan. President and Chief Executive Officer Scott Southward discusses how the company strikes a balance between responsible growth and meeting evolving global energy needs.

Q: Can you discuss Steel Reef’s emissions-to-energy practice and the benefits this brings to the communities in which the company operates?

When I think about how to support global energy demand, it is important to ensure everyone has access to sustainable, reliable and affordable energy. Steel Reef plays a leading role in the energy transition through our emissions-to-energy practice, which addresses the growing demand for energy.

At our 11 facilities and extensive gathering systems in Saskatchewan and North Dakota, we take the flare

gas that would have otherwise been released into the atmosphere and gather and redistribute these wasted emissions to create energy. This energy, in the form of power, natural gas and associated liquids, has tremendous benefits to our communities and is used for several purposes locally and globally, from heating homes and running barbecues to drying crops and developing critical medical equipment.

Our work at Steel Reef cannot be accomplished without people who are at the centre of our business. We prioritize meaningful connections – with each other, our customers, communities, investors and key stakeholders – which are key to our continued success. Internally, we support over 200 employees to help develop their careers and safely execute their work. We’re also proud to be a good neighbour in our community, supporting more than 70 organizations and volunteering more than 230 hours last year.

Q: Last year, Steel Reef secured several long-term Power Purchase Agreements (PPAs) with the Province of Saskatchewan. Beyond benefitting the province, how do these projects strengthen the company’s role in the broader energy transition?

Steel Reef took a significant step in 2024 by announcing the investment of \$265 million in Saskatchewan through multiple long-term PPAs with SaskPower to provide over 100 megawatts of carbon-efficient power to the province.

This combined with our three existing power-generating assets brings our total investment in the power space to over \$330 million and will enable five facilities to be self-sustaining in terms of electricity demand. By turning wasted emissions into electricity,

STEEL REEF

we’re not only strengthening the province’s energy security and reducing costs but also positioning Steel Reef at the forefront of service providers in this space as a leader in innovative and practical energy solutions. We are proving it can be done and will continue to do so – you can reduce emissions and deliver affordable energy.

Q: Looking ahead, what do you see as the key opportunities and challenges in scaling Steel Reef’s operations sustainably while meeting growing energy demand?

I feel opportunities and challenges can be looked at as one and the same. The macro environment is clear: North America’s rising electricity demand is reshaping the energy landscape, driving investment, innovation and infrastructure expansion, and Steel Reef is positioned to deliver solutions. For us, it’s proving that traditional energy and innovative solutions can work together to power future potential.

Since 2012, we’ve consistently delivered on our growth strategy, achieving sustained year-over-year progress. Our success is driven by a multi-faceted approach as we continuously challenge ourselves to improve and seek new ways to optimize our operations. Looking at our business as a whole – our high-performing teams, interconnected infrastructure, incoming utility-grade electricity capabilities and strong market position – it’s this powerful combination that enables our vertically integrated model to thrive, even amid global economic shifts.





Creative Energy is the owner and operator of one of the largest district energy networks in Canada, currently developing similar systems to provide sustainable energy solutions to North America's MUSH¹ sector. Canadian renewable energy leader and Creative Energy's Executive Chair, Mike Crawley, shares his long-term vision for the company's growth to meet increasing energy demand.

Q: What is your vision for leading Creative Energy through its ambitious growth strategy and meeting the increasing demand for innovative solutions while maintaining focus on the company's climate commitments and environmental goals?

There's a huge demand for new power generation across North America, which will become even more pronounced in busy urban areas where you can no longer build new gas pipelines. Creative Energy provides innovative solutions that optimize the use of energy that is already available in an urban setting – such as on a university or hospital campus – while

minimizing the use of gas to decrease emissions. We do this by, for example, capturing waste heat from sewage pipes and converting it into a sustainable heating source for buildings to help reduce energy use and lower carbon emissions. I believe these are the types of creative solutions that will be in greater demand moving forward.

Q: District energy plays a key role in reducing emissions and supporting sustainable urban infrastructure. How does Creative Energy collaborate with municipalities, developers and customers to ensure projects create tangible benefits for local communities and stakeholders?

We work with our stakeholders through each phase of a project, including the commercial arrangements, design and delivery of our district energy systems. District energy, by its definition, includes a lot of involvement from local stakeholders and is embedded in the communities in which we operate. We consider partnerships and transparent collaboration with our stakeholders to be an important part of how we operate and conduct our projects.

Creative Energy has partnered with First Nations on several projects, most recently with the Squamish Nation on the Senákw Development, a rental development by the Squamish Nation's economic development arm. We're developing a zero-carbon district energy system that uses sewer heat energy from Vancouver's infrastructure to provide heating and cooling across the site's four-plus hectares. Once complete, this development is expected to become one of the first large-scale zero-carbon housing projects in the world. Together with the Squamish Nation, we're working to support their economic

development and honour their land and history, while bringing sustainable energy solutions to thousands of homes and rental units in Vancouver.

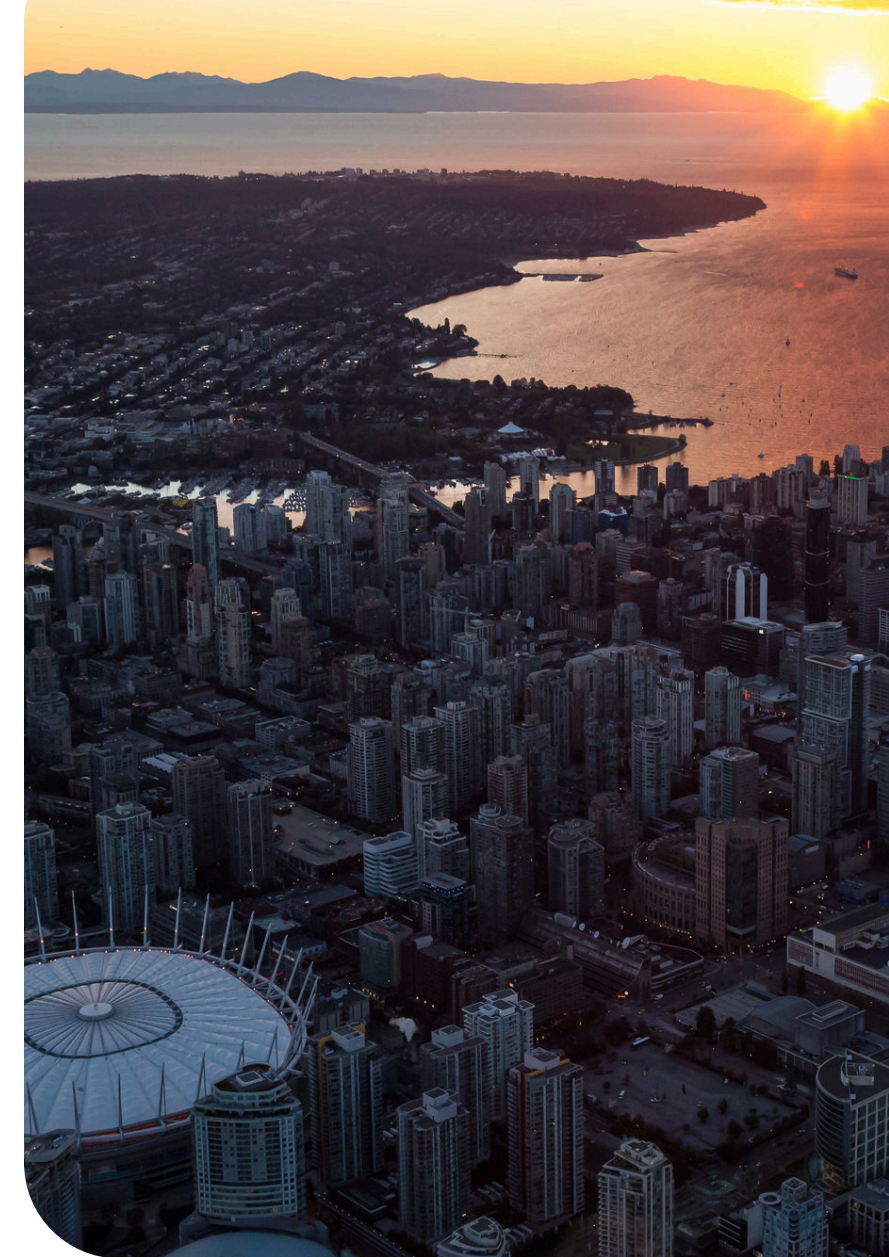
Q: Looking ahead, what do you consider to be the most significant environmental and social opportunities in district energy over the next three to five years?

I think what we've accomplished with the Senákw Development project is a great opportunity for Creative Energy going forward. This type of project involves mapping out main sewage pipes underneath a city and overlaying where new developments are being planned to figure out how to create a system that captures that waste heat and turns it into a sustainable energy source which, ultimately, uses less power from the grid and lowers emissions. It's these types of creative solutions that are going to be really exciting moving forward.

Another significant opportunity is collaborating with data centres. We're seeing massive data centres for AI training being built in remote areas where there's far more flexibility than in an urban environment. For AI query processing, these centres need to be located close to where the bulk of the queries come from and where the people that are using those applications live and work, so they'll need to be near urban centres. This creates a need for innovative urban power-supply solutions that also minimize emissions, and Creative Energy can help address that need.

¹MUSH stands for Municipalities, Universities, Schools and Hospitals.

CREATIVE ENERGY





PRT Growing Services is one of North America’s largest providers of essential growing services for forest seedlings, producing more than 600 million seedlings annually and serving forestry markets from coast to coast. Executive Chairman John Enlow explains how PRT is helping customers meet regulatory requirements and achieve their environmental objectives – going beyond traditional reforestation practices.

Q: Reforestation regulations are critical for protecting ecosystems and promoting sustainable, resilient forests. How does PRT help its customers achieve regulatory compliance and reforestation objectives?

At PRT, we have the advantage of participating in forestry supply chains across North America, and the regulatory requirements are different from region to region. In Canada, many requirements are regulatory, while in areas like the U.S. Southeast, they’re largely voluntary – but still essential. Given the scale of PRT, if we aren’t growing and supplying seedlings, then

reforestation isn’t happening in the markets in which we operate. We enable our customers to meet their reforestation objectives, which is a key part of our impact. The other part is the quality of seedlings we’re providing to customers from our genetics improvement practice in the U.S. Southeast through our tree-breeding program, which provides superior growth and more resilient seedlings to help efficiently repopulate our forests.

Q: PRT has recently announced its partnership with Funga, a company focused on restoring forest soil biodiversity by re-introducing or “re-wilding” native, growth-promoting fungi to the forest’s soil microbiome. How does this collaboration unlock value for PRT and further advance the company’s long-term environmental impact?

We’re excited about this partnership and its tremendous potential for both PRT and the forestry community more broadly. A large component of PRT’s strategy is and has been to expand the company beyond being a traditional reforestation business to provide additive environmental services, including carbon sequestration. Funga’s approach not only helps to restore and enhance soil biodiversity but also leads to greater seedling growth and healthier ecosystems. They’ve also found a way to monetize that growth into a carbon revenue stream, from which we earn a significant share through our partnership. Being a part of something that’s good for the world and good for the bottom line is easy to get excited about.

Q: As we think about the next decade, what trends or innovations do you expect will have the



largest impact on the reforestation sector, and how is PRT positioned to leverage these opportunities?

The whole carbon economy and the forest investment community have grown exponentially over the past five years, and I think we’ll get to the point in the next 10 years where forest investment is as much about carbon revenue as it is about fiber revenue from timber and forest products. PRT is well positioned to leverage and build on this trend.

Looking at the Canadian market, there’s been a fundamental change in the way the forest economy works in British Columbia, with the transition of management rights to First Nations and a move toward more holistic forest management practices. PRT has established meaningful relationships with First Nations, and we’re exploring ways to facilitate this evolving approach to forestry.

In the U.S. Southeast, landowners who grow trees for pulp and paper are seeing lower returns – and planting fewer trees – as a result of declining pulp mill capacity, driven by substantial investment in newer, more efficient pulp mills in South America. With this shift to lower planting densities, landowners need to be thinking about container seedlings rather than bareroot seedlings due to their superior survivability and strong genetics – and we’re the dominant container seedling producer in this region.



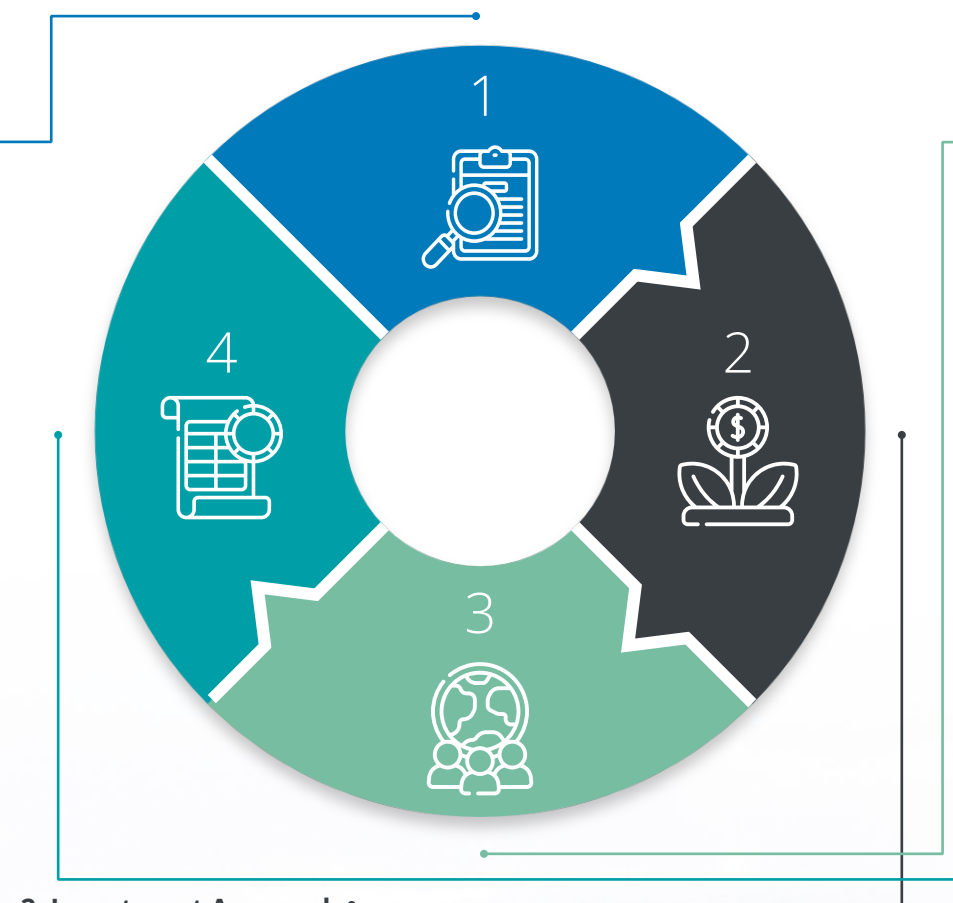
ESG Across the Investment Cycle

Instar established a formal ESG policy in 2018 to guide our ESG approach throughout our entire investment cycle from pre-investment due diligence, value creation during our ownership to divestment. We view compliance with regulatory obligations as the minimum standard and strive for best practices in our management of ESG-related risks and opportunities in a manner that helps our portfolio companies to raise the bar for environmentally and socially responsible conduct within their respective sectors.

1. Pre-Investment Due Diligence

Infrastructure as an asset class is naturally inclined to exhibit positive ESG characteristics. Our investment team targets infrastructure opportunities poised to benefit from strong macro tailwinds and identifies ESG practices and qualities that can generate a risk-return dynamic that aligns with our value-added investment strategy. Instar does not invest in coal production or coal-fired power generation; oil sands and other conventional energy businesses, companies using environmentally unsound technologies, or companies that have a negative social impact; and companies or projects that do not respect or follow human rights, including the use of child or forced labour or engaging in discriminatory practices. Potential investments are initially screened by sector, referring to the Sustainability Accounting Standards Board (SASB) materiality guidance to hone our analysis. Our ESG due diligence template ensures the consistency and rigor of our approach and helps to inform the investment team's overall diligence strategy and views on risks and mitigants.

In 2021, we incorporated climate risk assessment into our due diligence template, including transition risks and indirect and direct physical climate risks related to wildfires, extreme heat, sea level rise, flooding, tropical cyclones, and water stress over a 20-year time horizon. External advisors are also engaged to provide specific technical or market analysis where necessary, including identifying mechanisms for mitigating potential ESG risks and capitalizing on opportunities to add value to the portfolio company post-acquisition.



2. Investment Approval

Instar's Investment Committee, which comprises Instar's Executive Committee and senior investment professionals, reviews diligence findings, risks and mitigation strategies, and value creation plans for each proposed investment, including ESG challenges and opportunities. Our Investment Committee considers all material issues and the overall sustainability profile of the business and may raise questions or require further work to be completed as part of their investment decision.

3. Post-Investment Engagement

Once a transaction closes, our investment and executive teams work closely with the new portfolio company, including C-suite executives and the board of directors, to implement and enhance the business plan developed during diligence, including establishing Instar's portfolio-wide key performance indicators for post-acquisition engagement and monitoring. At this time, all portfolio companies are requested to evaluate carbon emissions reduction strategies through resource efficiency opportunities and prioritize low carbon options when making new capital expenditures. We also work together to define and embed the company's own distinctive ESG purpose throughout its operations and engagement with employees, customers and communities. We engage in ongoing dialogue with our portfolio companies with respect to the implementation and success of ESG initiatives. ESG metrics are tracked quarterly, reviewed and discussed at the portfolio company board level and with Instar's own Board.

4. Divestment

Each portfolio company's ESG journey is unique, as are the investors who acquire our businesses. We assess our portfolio companies' progress and achievements since acquisition, revisiting our ESG materiality assessment to highlight areas that are most important to stakeholders, including investors. Where possible, we measure the impact of ESG initiatives from a value creation perspective along with progress on specific ESG KPIs.

Our Environmental Impact

The natural world is our most important asset, upon which all economic activity depends. We understand that it is our fiduciary duty to address the nature-related risks stemming from climate change and biodiversity loss in our portfolios. We track our impact on biodiversity across our portfolio by identifying sites operating near biodiversity-sensitive areas and determining if operations have any negative impact. In 2024, we began to educate our portfolio company executives and investment team on natural resource management to address biodiversity loss and develop

targeted strategies to protect and improve local habitats. We have also worked to deepen our understanding of water risks, which affect all businesses of all sizes across all sectors and geographies. With the urgent, rising need for clean water, it is imperative that our resources are protected and properly managed to create a water-secure world. We continue to advance our knowledge of nature-related impacts and dependencies on water and explore ways to mitigate related risks through our investment activities and day-to-day operations.

Our Carbon Footprint:

At Instar, one important way we measure our environmental impact is through qualifying the greenhouse gas emissions that are released as a result of our activities. We measure our corporate-level greenhouse gas emissions inventory in accordance with the World Resources Institute Greenhouse Gas Protocol. This includes emissions related to our corporate activities and core business, such as our offices and business travel. We have

worked diligently to reduce these emissions as much as possible, given business travel is essential to relationship building and our engagement with our investors and portfolio companies. Our corporate Travel Policy includes guidelines to ensure responsible travel across our firm.

EMISSIONS	2023	2024
Scope 1	0 tCO2e	0 tCO2e
Scope 2	13 tCO2e	24 tCO2e
Scope 3 emissions – business travel	391 tCO2e	176 tCO2e
Scope 3 emissions – purchased goods and services	225 tCO2e	364 tCO2e
Scope 3 emissions – financed emissions	256,836 tCO2e	257,333 tCO2e

Carbon emissions include estimates and have not been verified by an independent third party.

Impact Across Our Portfolio

The most material emissions category for Instar, and any financial services organization, is financed emissions, referring to those associated with our portfolio companies. Since 2019, we have collected scopes 1 and 2 GHG emissions data from our portfolio companies and continuously work to increase the rigour applied to the calculation of GHG emissions, data availability and quality and reporting processes. We measure our financed emissions using our ownership percentage of our portfolio companies to attribute their scopes 1 and 2 emissions back to Instar under our scope 3 financed emissions category.

In 2022, Instar began collecting data to support the calculation of material scope 3 GHG emissions categories from portfolio companies. Often the largest category of emissions, Scope 3 relates to indirect emissions that occur in the upstream and downstream activities of an organization. While measuring this category presents many challenges, we believe that defining scope 3 emissions is key to understanding the impact of climate-related risks on our portfolio companies. While we collect scope 3 emissions for our portfolio companies, we continue to refine the quality of calculations based on available data and do not include this in our calculation of financed emissions as we continue to improve data quality and availability.



Steel Reef is an established player in the energy transition, having recently entered into five power purchase agreements with the Province of Saskatchewan to convert wasted emissions to more than 100 megawatts of low-carbon power for homes and businesses across Saskatchewan’s communities, helping to change the province’s emissions profile and bring it off coal.



Creative Energy has provided sustainable, innovative energy solutions to its customers for over 50 years with a 99.99% reliability rate. Its core system is one of the largest district energy networks in North America, serving more than 45 million square feet of real estate downtown Vancouver. The company has received regulatory approval to modernize and decarbonize the system, which is underway and, upon completion, will avoid 38,000 tonnes of GHG emissions annually.



PRT Growing Services Ltd. (PRT) recently announced its partnership with Funga, a company dedicated to improving soil biodiversity for stronger, more resilient forests and increased carbon sequestration. This partnership provides the crucial nursery infrastructure and seedling expertise required to scale PRT’s operations in the U.S. Southeast, reinforcing its position as a critical link in the forest sustainability supply chain and addressing the critical need for forest health in North America.



Skyservice was the first full-service business aviation provider to offer sustainable aviation fuel (SAF) to private aircraft clients in Canada and continues its efforts to minimize its carbon footprint in both Canada and the U.S. by making lower carbon-intensive capital expenditures where possible. This includes, for example, designing new fixed-base operations and hangar developments as net-zero buildings and purchasing electric Ground Power Units to phase out diesel use.

Our Social Impact

Working with essential businesses means we have an inherent social impact on the communities we serve, providing sustainable, reliable products and solutions to enrich people’s lives. People are at the heart of Instar’s ESG focus, which includes how we empower and create growth opportunities for our employees, engage with stakeholders across our organization and contribute to our communities. At Instar, we are proud to support our employees’ charitable donation matching program, matching up to \$2,000 per year in donations for each employee to support the causes that are meaningful to them and amplify their impact.



Hold'em For Life Charity Challenge

Instar is a proud sponsor of the annual Hold'em For Life Charity Challenge, which has raised over \$59 million to fund cancer research and other initiatives at Mount Sinai Hospital, Princess Margaret Hospital, SickKids Hospital, Ronald McDonald House and Sunnybrook Health Sciences Centre. Over 85% of all funds raised at this poker event have supported several life-saving breast cancer and prostate cancer research initiatives.



Canadian Blood Services

Blood and blood products are a critical part of everyday medical care. In 2024, the Instar team rolled up their sleeves for the second consecutive year, completing several group blood donations and contributing to the national supply of blood products across Canada (excluding Quebec) to help build a stronger blood system.



Holiday Helpers

The holidays are an especially challenging time of year for vulnerable, low-income families. In 2024, for the fourth consecutive year, Instar sponsored two local families through Holiday Helpers to provide Christmas packages filled with warm winter clothing, household essentials and toys to bring holiday spirit to those in need.



Youth Mentorship

At Instar, we understand the importance of cultivating entrepreneurship to further innovation and are committed to mentoring the next generation of business leaders. Each year, Instar team members attend several youth events to provide their career insights and advice to students, including finance-focused conferences and networking events hosted by organizations such as Junior Achievement Canada. Instar is also active in organizations that engage, support and connect young professionals and future leaders in the Canadian infrastructure sector and venture capital and private equity community, including Young Leaders in Infrastructure (YLI), which our CEO Gregory Smith helped found, and the Young Professionals Chapter of the Canadian Venture Capital and Private Equity Association (CVCA), which is co-chaired by Kingston Fyffe-White, Vice President at Instar.



AMPORTS values its deep-rooted connections within the communities it serves, partnering with local schools, educational institutions and charities to contribute to the economic and social development of the regions in which the company operates:

- **Propeller Club**, the largest network of individuals dedicated to the enhancement and wellbeing of the maritime community in the U.S. and globally
- **Internships and career opportunities** for local university and college students in fields such as operations, IT, finance, engineering and human resources to help them launch successful careers with a growing company
- **Salvation Army's Angel Tree**, a charity program designed to provide gifts for children, seniors and families in need during the holidays
- **Will of Iron Golf Classic**, an annual fundraiser golf tournament in Saint Johns, Florida that supports military veterans living with disabilities and the effects of post-traumatic stress disorder
- **Baldwin Group Corporate Run**, a five-kilometre walk or run bringing together the business community of Jacksonville, Florida to support local health and wellness infrastructure, including youth athletic programs



As a member of the Canadian Business Aviation Association and National Business Aviation Association, Skyservice joins forces with other industry members to raise funds and provide services for the following initiatives:

- **Red Tailed Hawks Flying Club**, an action-based, volunteer flying organization that introduces underserved and underrepresented youth to the aviation industry
- **Northern Lights Aero Foundation**, an organization that empowers women and encourages them to succeed in aviation and aerospace careers
- **Corporate Angel Network**, which works to ease the emotional stress, physical discomfort and financial burden of travel for cancer patients by arranging free flights to treatment centres
- **Air Charity Network**, an organization that provides people in need with access to free air transportation to specialized healthcare facilities or distant destinations due to family, community or national crisis
- **Veterans Airlift Command**, which provides free air transportation to post-9/11 combat-wounded service members and their families for medical and other compassionate purposes
- **Hope Air**, which provides gratis medical flights to patients in need of medical air transport
- **Support for aerial firefighting efforts** in Central Oregon and Montana, serving as the exclusive line service provider to U.S. government organizations, such as the Department of Forestry and Department of Defense, to support local military and aerial firefighting operations

Our People



Diversity, Equity and Inclusion

We embrace diversity, equity and inclusion for innovation and growth. We promote equality of opportunity and seek different perspectives to challenge conventional approaches and continuously improve our company's performance and progress. We believe that diversity and inclusion help us drive innovation, make better decisions, achieve effective stewardship of our business and portfolio companies and enable our people to thrive.

Our Diversity Statement highlights our commitment to fostering a diverse and inclusive workplace that reflects the communities we serve and where our people can achieve their full potential. We have implemented multiple strategies to promote the fair and safe treatment of people involved either directly or indirectly in the development and operation of our portfolio companies. **Our diversity and inclusion initiatives are focused around three key areas:**

- Attract:** Use of external recruiting firms to ensure a diverse, balanced shortlist of candidates
- Retain:** Unlimited mental health benefits coverage; Top-up of base salary for maternity leave; Matching RRSP contributions, starting from first day of employment; Supporting ongoing professional development through financial support for continuing education; Sponsoring employee memberships in professional and industry associations
- Cultivate:** Continuous training, coaching and mentoring culture, including our internship program; DE&I discussion topics, including a virtual daily newsletter for Black History Month and Lunch and Learn webinars to commemorate National Day for Truth and Reconciliation; Team engagement through social and wellness activities, planned by Instar's Social Committee; Eligibility for carry for all employees and the opportunity for participation in Instar's investment funds; Performance incentive programs with ESG-specific targets across the entire organization

Our Governance Approach

Instar is a signatory to the PRI, an initiative supported by the United Nations that provides a voluntary framework to help institutional investors incorporate environmental, social and corporate governance issues into investment analysis, decision-making and ownership practices. In 2022, Instar also became a public supporter of the Task Force on Climate-Related Financial Disclosures (TCFD), demonstrating our commitment to working towards our own implementation of the TCFD recommendations to increase transparency on climate-related risks and opportunities within financial markets.

ESG elements are overseen on a regular basis at multiple levels at Instar.

Instar's Executive Committee, which includes the CEO, COO, CFO and Managing Partner, is responsible for the company's ESG strategy. The Executive Committee meets weekly and sets standards for investment origination, execution and portfolio management processes and operations, including ESG practices and progress and climate risk management. This committee periodically reviews our ESG Policy to ensure that it is continuously relevant and applicable as our strategy around ESG progresses and evolves. Instar's Investment Committee, which comprises the Executive Committee and senior investment professionals, reviews diligence findings, risks and mitigation strategies, and value creation plans for each proposed investment, including ESG and climate-related risks and opportunities. Our Investment Committee considers all material issues and the overall sustainability profile of the business, approving all investments made by Instar.

Senior professionals of Instar's investment team are responsible for ESG matters related to our portfolio investments, both in the pre-investment and portfolio management phase, in collaboration with Instar's ESG consultant, stakeholder relations and legal teams.

Instar provides its investment team with regular education on ESG-related topics, including, but not limited to:

- Understanding ESG frameworks
- Developing an approach to scope 3 emissions
- Climate risk assessment
- ESG throughout the due diligence phase
- Diversity, equity and inclusion
- Sustainable finance strategies

Instar's COO oversees the implementation and coordination of our ESG approach and processes. External ESG specialists are also retained and appointed to assist on specific technical subjects, such as climate risk assessments.

Our team of professionals is complemented by various industry experts and advisors who contribute deep operational expertise, strategic guidance and specialized advice to Instar and our portfolio companies.

100% of our portfolio companies have a subcommittee that reports to the board on ESG and sustainability matters, including Health & Safety performance.

Instar focuses on the stewardship of all our investments through our board positions, management relationships and overall corporate governance. ESG is incorporated into our governance practices at each portfolio company as a strategic matter. It is addressed in board-level reporting and discussion, ensuring its prominence throughout the organization and that it is embedded in the company's purpose. ESG is integrated into the compensation structure for executives through mandates to achieve strategic priorities and business goals that focus on the critical safety, environmental, customer, employee and financial aspects of the business, including investing capital in ways that minimize risk and maximize return.

Instar has implemented ongoing ESG management and reporting practices across its platform to monitor how the activities of our investee companies impact the environment and the communities in which each business operates. This systematic reporting allows us to track developments during our ownership period and to identify and prioritize the management of material ESG risks and opportunities.



Our Strategy

Instar invests in scalable middle-market businesses providing essential products and solutions. We focus on opportunities in the transportation and logistics, energy transition, environmental and social sectors, investing in businesses that are positioned to address the following themes:

- Lowering greenhouse gas emissions
- Managing the socio-economic impact of aging populations
- Leveraging rapid digitization, data analytics, and artificial intelligence
- Improving the security and safety of local supply chains
- Preserving ecosystems, human health and economic opportunity

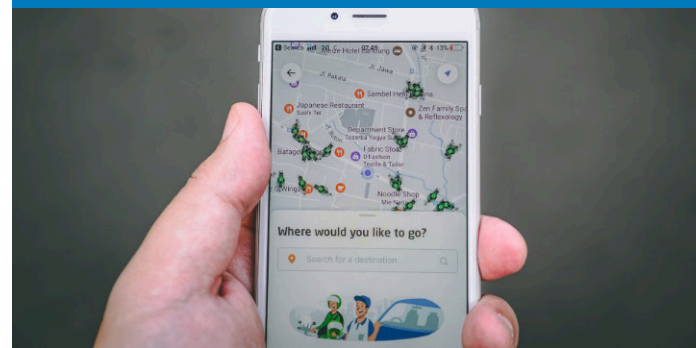
This approach aligns our investment strategy with our purpose as an organization to enrich people's lives through investment in essential businesses supporting local economic growth, quality of life and the lowering of inequality. Instar's investment team targets opportunities poised to benefit from strong macro tailwinds, identifying ESG practices and qualities that can generate a risk-return dynamic that aligns with our value-added investment strategy. Instar seeks to invest in dynamic, scalable businesses that matter to economic, environmental and social resilience.

Urbanization



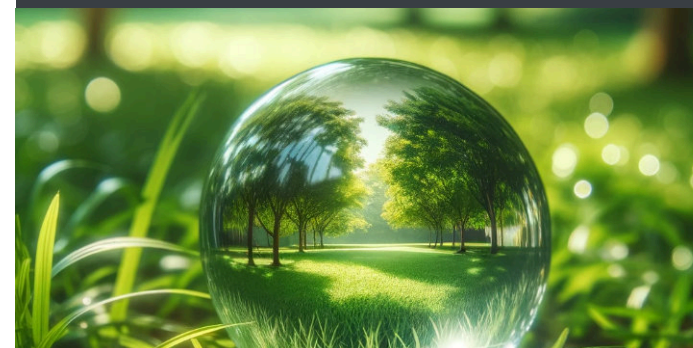
- Rethinking how to make cities more livable and resilient
- Historical underinvestment in infrastructure

Localization



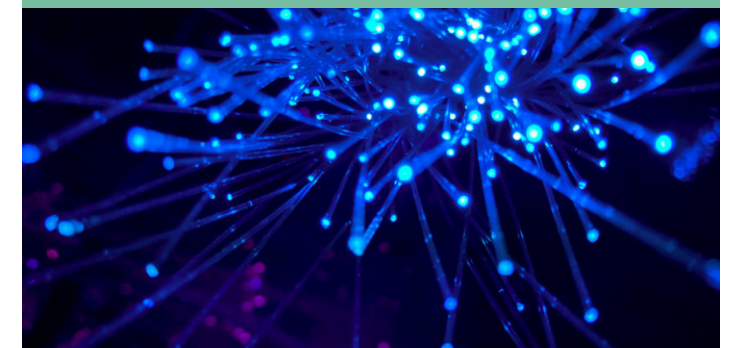
- Demand for community-based infrastructure
- Proximity to essential goods and services networks

Sustainability



- Compounding environmental and climate pressure
- Social and economic equality imperatives

Technology



- Rapid digitization
- Proliferation of data analytics

Instar avoids investment opportunities with profiles that we believe may be associated with significant risks and liabilities to the environment, society or health. These include:

- Companies that generate their revenue from coal production or coal-fired power generation, oil sands and other conventional energy businesses
- Companies using environmentally unsound technologies
- Companies that have a negative social impact
- Companies or projects that do not respect or follow human rights, including the use of child or forced labour or engaging in discriminatory practices

Risk Management

At the fund level and across our portfolio investments, we work to foster a risk culture where managing risk is everyone’s responsibility. This awareness and priority are embedded within our asset performance reviews, and regular engagement between senior management and our legal and operations teams.

Our risk management practices include: governance oversight (through the Executive Committee) and embedding a risk management mindset within our culture across the firm; policies and procedures tailored to Instar’s business activities and the unique risks, regulatory obligations and nature and size of our portfolio companies; compliance procedures, including Anti-Money Laundering and Know Your Customer review; tracking and issues management at the corporate and portfolio company levels; and regular annual training on Instar’s corporate policies and Anti-Money Laundering and cybersecurity practices. We have also established robust governance structures at each portfolio company, including independent directors and defined committees, which address the following: Audit, Finance and Risk; Governance; and Operations.

While we establish risk registers for our portfolio investments as noted above, we believe risk management is fundamentally a communication process requiring regular interaction between the project or portfolio-level team and our investment team and portfolio managers. Within the first 100 days of investing in a business, we discuss material ESG risks and opportunities identified during due diligence, including the climate scenario analysis. In our ongoing portfolio management and monitoring activities, Instar ensures that key ESG risks and mitigation strategies are managed through regular ESG strategy meetings with our portfolio companies and investment team. Through our regular engagement with our portfolio companies, we have been able to work in partnership towards obtaining more complete and accurate information related to climate-related risks and carbon emissions, particularly in quantifying scope 3 emissions which can be challenging due to lack of actual data available.



Climate-Related Risks

In pre-investment due diligence, transition risks associated with energy costs and carbon regulations, policy and legal, technology, market and reputational risks are evaluated as part of the financial assessment. The investment team determines which risks are most material and likely to have financial impact on the success of the investment. We engage external specialists to perform a climate scenario analysis using the middle-of-the-road scenario and assess physical climate risks related to wildfires, heatwaves, flooding, sea level rise, tropical cyclones, and water stress over a 20-year time horizon, which is considered to be twice the time of our expected holding period. High impact risks that have immediate financial impact are determined by the deal team during due diligence based on review of historical data and discussions with industry experts, and are addressed through various mitigation strategies in the first six months of deal close. Instar seeks to further evaluate mitigation strategies for the long term and consider alignment with a 2-degree Celsius or lower scenario. We also retroactively performed a climate scenario analysis for the portfolio companies we invested in prior to our decision to incorporate climate risk assessments into due diligence. Climate-related risks and opportunities are often intertwined with business risks and opportunities, and our team works closely with the board and management at our portfolio companies to ensure that they have considered the impact on their business strategy and financial planning.

Cybersecurity and IT

Companies are confronted by an ever-changing threat landscape and a rapidly evolving array of technologies. This has a direct bearing on how Instar approaches cybersecurity and IT with our dedicated in-house technology and cybersecurity expert. At Instar, cybersecurity and IT are key considerations throughout the M&A lifecycle, from initial due diligence, during the holding period and through to divestment. During the diligence process, a methodological approach is followed for both cybersecurity and IT. The key objective of diligence is to identify areas of both risk reduction and value creation before an investment is made. The Instar diligence methodology is continuously refined, considering operating industry nuances, new and emerging technologies, capabilities and other lessons learned. The findings from the diligence become a key input into tangible actions as the lifecycle shifts into the holding stage. Throughout the holding stage, Instar collaboratively establishes and guides portfolio companies’ cybersecurity programs and technology roadmaps. This is integral to ensure our portfolio companies’ cybersecurity posture is matured, a clear technology roadmap tied to business goals is defined, and risks are identified and remediated.

Our Metrics And Reporting Focus

Instar uses SASB criteria as a guide to filter and prioritize material topics for each of our portfolio companies. Materiality is defined by the potential to affect business value, the level of interest or concern for stakeholders, where we expect to set targets over time, industry relevance, and the extent to which outcomes can be controlled or influenced by our companies.

We have also established a set of standard reporting indicators for our portfolio companies to monitor how the activities of each business impact the environment and the communities in which it operates, which is largely aligned with principal adverse impact (PAI) regime under the EU Sustainable Finance Disclosure Regulation (SFDR).

This systematic reporting allows Instar to benchmark ESG performance at our portfolio companies during our hold period, identify and prioritize the management of material ESG risks and opportunities, and assess our portfolio companies' impacts and contributions towards the UN Sustainable Development Goals. Additionally, as a signatory to the UNPRI, Instar participates in the network's assessment processes and submits publicly-available transparency reports on an annual basis.

We continuously refine our reporting process to ensure accuracy and high-quality data, helping us to develop and consider goals and measures related to the management of ESG factors at our portfolio companies. Last year, we further improved our measurement of climate-related risks through the calculation of GHG emissions intensity and the tracking of material scope 3 GHG emissions for our portfolio companies. Instar currently seeks to reduce carbon intensity at our portfolio companies and evaluate carbon reduction target strategies, aligned with a 2-degree Celsius or lower scenario in the future.

Metric Tracked	2022	2023	2024
Carbon Footprint			
Scope 1 emissions	●	●	●
Scope 2 emissions	●	●	●
Scope 3 emissions	●	●	●
Scope 1 and 2 GHG emissions intensity	●	●	●
Total energy consumption (kWh)	●	●	●
Energy consumption intensity	●	●	●
Renewable energy consumption	●	●	●
Health and Safety			
Total recordable incident rate	●	●	●
Average training hours per employee	●	●	●
Number of work-related injuries	●	●	●
Days lost to injury	●	●	●
Diversity			
Percentage of employees that are considered a minority*	●	●	●
Percentage of employees that are women	●	●	●
Percentage of management positions held by women	●	●	●
Percentage of board roles held by women	●	●	●
Unadjusted gender pay gap	●	●	●
Employee Engagement			
Employee survey	●	●	●
Employee survey response rate	●	●	●
Total net new hires	●	●	●
Organic net new hires	●	●	●
Environmental and Biodiversity Impacts			
Emissions to water		●	●
Hazardous waste		●	●
Number of sites located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas		●	●

TCFD Alignment

As a supporter of the Task Force on Climate-Related Financial Disclosures, Instar is committed to implementing its recommendations and considering how climate change will impact our business. The table below demonstrates Instar’s alignment to the TCFD recommendations, including where to find the relevant content.

	TCFD Recommendation	Disclosure Location
Governance	a) Describe the board’s oversight of climate-related risks and opportunities	Our Governance Approach
	b) Describe management’s role in assessing and managing climate-related risks and opportunities	Our Governance Approach ESG Across the Investment Cycle
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Strategy Risk Management
	b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	Strategy Risk Management
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2-degree Celsius or lower scenario	Strategy Risk Management
Risk Management	a) Describe the organization’s processes for identifying and assessing climate-related risks	Risk Management ESG Across the Investment Cycle
	b) Describe the organization’s processes for managing climate-related risks	Strategy Risk Management ESG Across the Investment Cycle
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risks management	Risk Management ESG Across the Investment Cycle
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk-management process	Our Environmental Impact Our Metrics and Reporting Focus
	b) Describe Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	Our Environmental Impact Our Metrics and Reporting Focus
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Our Environmental Impact Our Metrics and Reporting Focus

Definitions

GHG	Greenhouse gas
Scope 1 emissions	Direct emissions from the activities of an organization or under its control
Scope 2 emissions	Indirect emissions from electricity, steam, heat, or cooling purchased and used by the organization
Scope 3 emissions	Emissions that are the result of activities from assets not owned or controlled by an organization but that the organization indirectly impacts within its value chain
tCO ₂ e	Metric tons of carbon dioxide equivalent

Executive Management Team

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President and Chief Executive Officer

Sarah Borg-Olivier
Chief Operating Officer and Senior Vice President

Minnie Chan
Chief Financial Officer

George So
Managing Partner

INVESTMENT TEAM

Daniel Perruzza
Partner

Stephen Simpson
Partner

Disclaimer

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A vibrant aurora borealis (northern lights) display in shades of green and purple, filling the night sky. In the foreground, the dark silhouette of a house with a lit-up roofline is visible on the left, and a mountain range stretches across the horizon under the starry sky.

INSTAR

INSTAR ASSET MANAGEMENT | ESG REPORT 2025

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