



Responsible Investing & Stewardship Policy

I. Overview

Transom Capital Group, LLC (“Transom”) is committed to responsible investing and managing environmental, social and governance (ESG) factors throughout our investment lifecycle. We believe that incorporating responsible practices into our investment process enables us to be better stewards of our investors’ capital, to drive sustainable value creation at our portfolio companies, and to create transformative positive societal outcomes relating to systematic issues.

This document sets forth Transom’s approach to responsible investment and the management of ESG issues specific to the private equity asset class in which we invest.

II. Objectives

Transom’s objectives for integrating responsible investing and ESG into our investment and stewardship management processes are to:

1. Better inform investment decisions through identification of ESG-related risks and opportunities, particularly focused on potential value creation or erosion implications to investments.
2. Mitigate investment risk through stewardship, by helping our portfolio companies understand and proactively improve upon ESG-related risks and material topics.
3. Reduce systematic risk to our portfolio from evolving ESG issues and create positive change.

III. Scope

This policy (the “RI Policy”) applies to current and future Transom investments and funds. For the purposes of the RI Policy, material ESG issues are defined as those issues with a substantial potential impact on the current and future financial, economic, reputational, and legal prospects of an investment.



The RI Policy is reviewed annually to reflect potential changes to the business and portfolio.

This RI Policy was last updated in July 2025. This policy shall supersede and replace Transom's prior Responsible Investing Policies and shall apply on an ongoing basis.

IV. Industry Alignment

Transom became a signatory to the United Nations Principles for Responsible Investment (UNPRI) in 2022. We commit to align our investment practices and operations with the UNPRI's six principles (the "Principles"), where consistent with our fiduciary responsibilities and this policy:

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will report on our activities and progress towards implementing the Principles.

We have adopted UNPRI's definitions of ESG for purposes of this report, as explained in PRI's ["How we define Responsible Investing & ESG"](#) guidance, including,

- *Environmental (E)* - Issues relating to the quality and functioning of the natural environment and natural systems.
- *Social (S)* - Issues relating to the rights, wellbeing and interests of people and communities.
- *Governance (G)* - Issues relating to the governance of companies and other investee entities.

V. Responsible Investment Guidelines

Transom believes that an integral part of responsible investment is the careful consideration of material ESG topics.



The below ESG factors have been deemed material to Transom investments. ESG factors related to these material topics are monitored and managed for investments covered under this policy. ESG factors are not limited to the below, and an additional assessment is made for each portfolio company (either pre-transaction or just following the close of a transaction) to determine other potentially material ESG factors specific to a company’s industry and business model.

Environmental	Social	Governance
<ul style="list-style-type: none"> ▪ <i>Climate, GHG Emissions and Energy Management</i> 	<ul style="list-style-type: none"> ▪ <i>Employee Engagement</i> ▪ <i>Diversity, Equity and Inclusion</i> ▪ <i>Health & Safety</i> 	<ul style="list-style-type: none"> ▪ <i>Material Sustainability/ESG-Related Controversies</i>

To further manage ESG factors for material topics, Transom has instituted the following guidelines:

Guidelines on Environmental Factors (including Climate Change)

Environmental factors are critical in assessing the long-term sustainability of investments. This is especially relevant given the potential physical risks of climate change (which may disrupt business operations or damage property or assets) and transition risks stemming from the societal transition to a low-carbon economy (which may include impacts from changes in regulations or shifts in market dynamics and consumer preferences). To manage environmental, and specifically climate change, risk, Transom is committed to measuring the Greenhouse Gas (GHG) Emissions and Energy usage of our portfolio companies and making improvements to these metrics.

- GHG Emissions - measure the Scope 1 & 2 GHG emissions of portfolio companies to understand their exposure to climate-related risks, understand their climate-related impacts, set a baseline, enable transparent reporting to stakeholders, and endeavor to reduce emissions.
- Energy Management - measure consumption of energy, including percentage consumption from renewable energy, and endeavor to reduce non-renewable consumption.



Guidelines on Social Factors

Transom has long considered social factors as a key value driver for private equity investments. Thus, we work to help portfolio companies align people strategy with business strategy.

- Diversity, Equity and Inclusion – Moving forward, Transom aims to develop standardized ESG policies at portfolio companies, which will include policy on DEI and a Supplier Code of Conduct (where none exists already).
- Employee Engagement – conduct an employee survey to understand the pulse of an organization, monitor employee satisfaction, and identify areas for improvement.
- Health & Safety – monitor and endeavor to reduce the number of work-related injuries, number of work-related fatalities, and days lost due to injury.

Guidelines on Governance Factors

Governance of ESG is integral to ensure accountability and proper management of ESG-related risks and issues as they may arise.

- ESG-related Controversies – monitor for and endeavor to prevent ESG-related controversies, which we interpret to be either events or ongoing situations in which company operations and/or products allegedly have a negative environmental, social and/or governance impact.
- C-suite ESG Education – meet at least annually with portfolio company leadership to discuss and educate on ESG-related risks, data collection and efforts on improvement of ESG KPIs.
- ESG Monitoring – regularly check in with portfolio companies on ESG-related topics.

Additionally, Transom establishes strong corporate governance at its portfolio companies to enhance accountability and support disciplined decision-making.

- Timing – a formal board of directors is established upon acquisition.
- Board composition and structure – the Board will include representatives from Transom, members of the portfolio company’s senior management team, and independent directors as appropriate.
- Meetings and responsibilities – the Board meets at least quarterly to review portfolio company performance, set strategic direction, and address material issues related to financials, human resources, ESG, and business goals.



- Ongoing touchpoints – Transom maintains regular engagement with portfolio company leadership, including through weekly touchpoints with Transom’s Operating Partners.
- Policy expectations – portfolio companies implement and maintain core policies including:
 - Code of Conduct
 - ESG Policy

Guidelines on Sustainability Outcomes

Understanding sustainability outcomes stemming from our investment and stewardship activities is important to determine the impact of our responsible investing efforts and to adjust our processes if needed.

- Measurement – measure ESG KPIs for portfolio companies to ensure an understanding of performance.
- Transparency – disclose aggregate ESG KPI data on material topics to current investors to promote accountability.
- Alignment to international framework – Transom aligns its responsible investment practices with the UN Sustainable Development Goals (SDGs), guided by the understanding that driving positive transformation and progress on systematic issues enables us to be better stewards of our investors’ capital, reduce risk, and take advantage of opportunities. We have identified three sustainability outcome focus areas that are closely linked to our core investment activities: Gender Equality (SDG 5), Decent Work and Economic Growth (SDG 8), and Climate Action (SDG 13).

Guidelines on Human Rights

Transom believes it is important to protect fundamental human rights for a well-functioning society, and endeavors to do so across our investments.

- Human Rights – Ensure that portfolio company operations do not violate internationally recognized human rights standards, monitor and mitigate any identified human rights risks, and provide a safe working environment. Require that portfolio companies have a human rights policy embedded into an ESG or other policy.



Guidelines on Exclusions

Transom's approach to ESG-related investment exclusions is to exclude potential investments based on specific sectors, products or services that the firm deems high risk from an ESG perspective. These exclusions are unique to each fund and are disclosed in a fund's Limited Partnership Agreement (LPA).

Additionally, as aligned with our commitment to ethical and responsible investment practices, the firm does not invest in, or finance in any form, any companies within the value chain of weapons of mass destruction, anti-personnel mines, cluster munitions, submunitions, or components of these weapons.

Guidelines on Conflicts of Interest

Transom has formalized a responsible investment policy, engaging professionals throughout the investment lifecycle from across the firm to analyze and review ESG factors for a given portfolio company or target company. This process creates checks and can help us identify and address potential conflicts of interest and ensure that responsible investment is prioritized in line with this policy.

VI. Stewardship

Guidelines on Stewardship

Transom takes an active role to ensure all portfolio companies have the below criteria in place and engages regularly with portfolio company management as part of our stewardship activities. Through this effort, Transom helps portfolio companies manage and prioritize ESG factors related to their business. With the criteria defined below, Transom prioritizes the needs of investees to determine where stewardship efforts must be focused.

- Determine materiality – help portfolio companies focus their ESG efforts on topics that are material to their business.
- Set clear objectives & expectations – help portfolio companies prioritize ESG activities and communicate our expectations to them through written goals. Focus on monitoring and addressing ESG risks, measuring and collecting ESG KPI data, and making improvements around ESG topics.



- Education – meet at least annually to train portfolio company management on relevant ESG topics.
- Performance monitoring – continuously monitor progress and outcomes and assess if changes to processes are needed.
- Prioritization of stewardship efforts – Transom prioritizes stewardship efforts at portfolio companies where it expects to have the most impact. We focus on companies we intend to hold for a longer period, where we may realize more value from stewardship efforts during the hold period.

VII. Governance & Oversight

Oversight at the Firm-level

To support the integration of responsible investment and ESG as described in this policy, Transom has formed an internal Responsible Investing (RI) Steering Committee. This group is composed of executive-level employees, including Russ Roenick, Co-Founder and Managing Partner, Nathan Dastic, Chief Financial Officer & Chief Compliance Officer, and Dana Goldstein, Head of Investor Relations & Marketing. The RI Steering Committee is responsible for:

- Developing Transom’s ESG integration program
- Ensuring effective execution of ESG implementation across business lines
- Setting, reviewing and revising the RI Policy, as needed
- Coordinating internal and portfolio company education on responsible investing and ESG
- Managing external communication around responsible investing and ESG, including our annual ESG disclosures and other ad-hoc responsible investing-related communication.

Oversight of ESG Integration into Investment Decisions

Transom’s Investment Committee (IC), which oversees our investment activities, is regularly updated on and oversees ESG efforts. Additionally, the IC reviews ESG risks and opportunities discovered during our ESG Due Diligence process as part of their review prior to investment.

Internal RI & Sustainability Capability

To continue building internal expertise, Transom has hired a dedicated in-house professional to support Transom’s RI and sustainability efforts, enhancing day-to-day integration of sustainability



considerations across investment and portfolio management activities. This role supports firm leadership, the RI Steering Committee, and investment teams by advancing RI initiatives, deepening internal understanding of sustainability-related risks and opportunities, and ensuring consistent implementation of Transom’s RI framework.

VIII. Implementation

Transom incorporates ESG objectives into our investing activities throughout the investment lifecycle. These ESG activities are integrated throughout Transom’s proprietary ARMORSM Value Creation Process (Acquisition, Restructuring, Monitoring & Operations, Return), and help us to measure, manage and mitigate ESG risks while leveraging ESG opportunities throughout our portfolio.

Pre-Investment

- Exclusion – the M&A team is responsible for applying fund-level ESG exclusion policies related to sectors, products or services deemed high-risk (exclusions are unique to each fund).
- ESG Due Diligence – the ESG Due Diligence process includes the ESG Materiality Assessment and ESG Risk Assessment of the target company, leveraging our proprietary “ESG Assessment Dashboard” tool.
 - *ESG Materiality Assessment* – we determine which ESG topics are material to the portfolio company utilizing the “ESG Assessment Dashboard,” which incorporates the guidance of UNPRI and the Sustainability Accounting Standards Board (SASB). We also conduct a review of these potential topics taking into account macroeconomic and business-model specific factors before finalizing the list of topics.
 - *ESG Risk Assessment* – we conduct a two-phase ESG risk assessment including ESG red flag due diligence, and due diligence on commercial and operational ESG risks and opportunities. This includes general sustainability-related questions (which apply to all target companies) as well as questions specific to the target company, based on its sector and industry.



- *We review and revise our ESG Risk Assessment questions annually, informed by changes in market conditions, shifting client priorities, and the results of our stewardship efforts.*
- Investment Decision – a summary of ESG Due Diligence is included in the IC’s review of any investment and informs the holistic picture of a target company and the decision on whether to proceed with an investment.

Post-Investment

- ESG Remediation – for any ESG risks determined to be high by our team, Transom monitors through regular updates and works to remediate, where possible, with portfolio company management. Additionally, we aim to proactively improve upon metrics related to material ESG topics throughout the investment hold period, where practical.
- ESG KPIs – we provide portfolio companies with instruction and documentation on annual ESG KPI data collection and improvement methodology, and regularly meet with portfolio company management to assess performance.
- Portfolio Company Education – we meet at least annually with portfolio companies to educate them on ESG topics and on compliance with our ESG guidelines.

IX. Transparency & Reporting

Transom is committed to promoting accountability and transparency regarding our responsible investing program. Thus, we endeavor to publish annually a responsible investing report and UNPRI transparency report (which will be publicly available on the PRI website). Additional details and metrics are available to stakeholders upon request.