StepStone Group Responsible Investment Policy

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I. Introduction

StepStone Group ('StepStone' or the 'Firm') is a global private markets investment firm focused on providing customized investment solutions and advisory, data and administrative services to our clients. Our clients include some of the world's largest public and private defined benefit and defined contribution pension funds, sovereign wealth funds and insurance companies, as well as prominent endowments, foundations, family offices and private wealth clients, which include high-net-worth and mass affluent individuals. We partner with our clients to develop and build private markets portfolios designed to meet their specific objectives across the private equity, infrastructure, private debt and real estate asset classes. These portfolios utilize several types of synergistic investment strategies with third-party fund managers, including commitments to funds ('primaries'), acquiring stakes in existing funds on the secondary market ('secondaries') and investing directly into companies ('co-investments').

Responsible investment, which encompasses environmental, social, and governance ('ESG') and impact investing considerations, is a core tenet of our operating and investment philosophies. We believe that full integration of ESG factors in both our investment process and internal operations will improve long-term, risk-adjusted returns for our clients.

As one of the leading allocators of private capital, StepStone recognizes its role in promoting the consideration of ESG factors through its investment process and in engagement with its stakeholders. Furthermore, StepStone commits to considering ESG factors in its internal operations.

The scope of this policy is approved by the Responsible Investment Committee, implemented by the relevant Investment Committees and applied globally across the Firm's asset classes and investment strategies.

II. Objectives

StepStone integrates Responsible Investment considerations into its investment process with the aim of conducting fulsome risk and opportunity analysis because the Firm believes this has the potential to (i) enhance the evaluation of forward-looking risk-adjusted returns of an investment opportunity and (ii) protect and maximize overall value for clients.

Exposure to private markets is generally associated with longer investment terms. As such, StepStone believes that private markets programs are well suited to deliver real world outcomes and may be aligned with the Sustainable Development Goals ('SDGs') or specific themes or systemic issues, such as climate change or social equity. To help clients deliver positive outcomes, StepStone endeavors to align with industry best practices, leveraging leading frameworks and tools, as discussed in *Commitment* below.

Related to climate change, StepStone recognizes the Paris Agreement and works to support our clients in building Paris Agreement-aligned portfolios that are consistent with reducing global net emissions by 2050. Further, StepStone looks to support our clients in meeting their institutional responsibilities with respect to sustainable finance initiatives, which may include net zero carbon commitments and related disclosure and reporting requirements.

III. Commitment

We developed a responsible investment policy, became a signatory to the United Nations Principles for Responsible Investment ('UNPRI') in 2013 and created a StepStone Responsible Investment Committee in 2017, and have since become a signatory to the Financial Stability Board Task Force on Climate-Related Financial Disclosures ('TCFD') as well as a member of the Global Real Estate Sustainability Benchmark ('GRESB') and the Sustainability Accounting Standards Board ('SASB'). Further, the Firm is a member of several organizations that advocate for responsible investing, including the Initiative Climate International ('iCI'), Pensions for Purpose, Invest Europe, and the Institutional Limited Partners Association, among others. We aim to continually improve and evolve, reviewing our policy annually, holding regular trainings and responsible investment education sessions for our investment teams, and looking for ways to enhance our systems and processes, and have incorporated GRESB data and benchmarks in our decision-making process where relevant.

For clients with specific impact goals, StepStone seeks to deliver best practice solutions aligned to recognized frameworks, which include the SDGs, Operating Principles for Impact Management, Impact Management Project, IRIS+, European Taxonomy, and the recommendations of the Institutional Investors Group on Climate Change ('IIGCC').

StepStone seeks to be a thought leader through its active participation on industry workgroups, advisory bodies, and panels, and publication of RI content. In addition to hosting Responsible Investment sessions at StepStone's investor conferences, senior leaders of the Firm participate regularly at industry events on ESG and impact investing topics. StepStone also produces white papers and podcasts on RI topics.

StepStone is committed to continually improving our Responsible Investment program. StepStone's Responsible Investment journey is summarized in the diagram below.

IV. Guidelines

This policy is informed by StepStone's commitment to the PRI's six guiding principles (the 'Principles') and recommendations by the TCFD:

- We will incorporate ESG issues into investment analysis and decision-making processes.
- We will be active owners and incorporate ESG issues into our ownership policies and practices.
- We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- We will promote acceptance and implementation of the Principles and recognition of UN Sustainable Development Goals within the investment industry.
- We will work together to enhance our effectiveness in implementing the Principles.
- We will each report on our activities and progress towards implementing the Principles.

In addition to these guidelines, StepStone has adopted a series of asset class specific guidelines, a dedicated climate policy, and a stewardship policy.

V. Stewardship

StepStone recognizes its responsibility to advocate for greater adoption of responsible investment practices through the ownership chain from asset owners (Limited Partners) to investment managers/general partners (GPs), and across the investment holding period from due diligence through to ownership engagement, monitoring and reporting. Furthermore, StepStone focuses on engagement around specific thematic issues, such as climate change, diversity, equity and inclusion ('DEI'), and human rights. We generally emphasize issues that we believe represent systemic risks. StepStone advocates for alignment with global best practices as advocated by peak bodies in the sector including PRI, TCFD, and SASB. Specifically, StepStone works with GPs and Limited Partners to encourage the adoption of responsible investment policies and PRI membership.

StepStone seeks to support private markets participants in their effort through both one-on-one engagement as well as collective efforts. StepStone has adopted an outcome focus in one-on-one engagements particularly around phases of responsible investment process integration. StepStone has developed tailored materials targeted for GPs to provide guidance on implementing robust responsible investment programs. We seek to share best practices around engagement efforts internally through case studies and discussions. We also share best practices across our external stakeholders (clients, GPs) to drive increased focus on these issues. StepStone will work in concert with our clients on engagement where required. Further, we will look to contribute to organized collaborative engagement efforts, which includes providing formal letters of support and feedback on policy/regulatory issues.

StepStone attends Annual General Meetings (‘AGMs’) and holds positions on certain Limited Partner Advisory Committees (‘LPACs’) and on certain company boards of directors on behalf of our clients. StepStone seeks to actively engage in these roles and utilizes the LPAC and board memberships to inquire about matters pertaining to Responsible Investment. StepStone considers escalation approaches when engagement is challenged and works in concert with our stakeholders in this regard. For more information, please see our **Stewardship Policy**.

VI. Screening & Exclusions

StepStone continues to evolve its Responsible Investment program towards meeting the investment objectives of clients and in line with best practices. Beyond abiding by applicable laws and regulations for the jurisdictions in which it operates as well norms-based screening which includes international protocols on banned products or broader sanctions, StepStone endeavors to consider the laws which govern its clients’ activities.

Furthermore, StepStone evaluates client-directed investment considerations, such as the exclusion of selected industry sectors or geographies based on a client’s ESG priorities. StepStone also executes value-based screens on behalf of clients, such as with specific religious requirements.

StepStone has established screens to isolate potential investment opportunities that present an elevated ESG risk profile. Such investments are escalated early in the due diligence process through the Responsible Investment governance structure to determine how best to proceed with due diligence.

StepStone has also established positive screens to isolate potential investment opportunities that may be aligned to SDGs or specific themes such as climate change or diversity. This approach aids clients with outcome-based requirements.

While StepStone recognizes the role of screens and exclusions, StepStone seeks to engage with stakeholders to drive the adoption and integration of Responsible Investment practices, as discussed in our **Stewardship Policy**.

VII. Investment Process Implementation

While this policy is applicable globally across the Firm’s activities, its implementation is tailored to each asset class and investment strategy. StepStone factors Responsible Investment considerations into its investment due diligence and decision-making. Each investment memo presented to the relevant Investment Committee must contain a dedicated Responsible Investment section that has been completed by the investment due diligence team, with the disclosure and analysis approved by the Responsible Investment Committee. An investment may be vetoed by the Investment Committee on Responsible Investment grounds.

Post-investment, StepStone seeks engagement with GPs to advocate for and support their ESG process improvements. StepStone also works with GPs to advocate for the incorporation of material ESG issues into value creation plans. In particular, StepStone seeks to be engaged on Responsible Investment management where it has a board seat or LPAC membership. StepStone is active in governance considerations such as LPA amendments and proxy voting of portfolio securities. Furthermore, StepStone conducts an annual ESG monitoring outreach, updating our view of GPs' ESG progress, including a focus on diversity and carbon emissions. Where applicable this is conducted in alignment with the ESG Data Convergence Initiative.

StepStone's Responsible Investment processes are summarized in the below diagram and further detail is provided in turn.

Primaries

For primary investments, our team utilizes our proprietary ESG Scorecard, which was developed to assess GPs' ESG programs in depth. Scoring is based on five dimensions: ESG Policy, Accountability, Investment Process, ESG Reporting, and Strategy. The due diligence team awards the manager an ESG score from 1 – 4, allowing cross-manager comparison and monitoring manager progress over time. Further, our Responsible Investment due diligence process includes an analysis of a manager's responses to a series of questions based on the PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire and the TCFD framework. StepStone also requests to review the manager's existing ESG and related policies as applicable as well as any PRI Transparency Reports. This evaluation is complemented by extensive meetings, reference calls, and legal and operational due diligence. The evaluation encompasses specific queries around risks and opportunities at an asset level with a materiality framework informed by SASB, climate change queries based on TCFD guidelines, a focus on diversity and inclusion at both the GP and investee company level and queries on modern slavery which encompasses forced labor and human trafficking. The research team includes a summary of Responsible Investment due diligence findings in the investment memo.

The Responsible Investment Committee reviews and approves the Responsible Investment due diligence findings and scorecard for each primary investment prior to final approval of the proposed investment by the relevant Investment Committee. Prior to closing, StepStone seeks to negotiate the inclusion of Responsible Investment standards, in particular reporting responsibilities, into legal documentation.

Finally, for a manager that either lacks an ESG policy or is not a signatory to the PRI and/or a supporter of the TCFD, StepStone seeks to engage positively with the manager by providing guidance on adopting or furthering its ESG program.

In addition to RI diligence performed across all strategies, StepStone conducts an impact evaluation for impact funds and assigns all impact managers an impact score, informed by a proprietary Impact Scorecard. The Impact Scorecard scores managers on five core areas: impact alignment, accountability structures, impact assessment processes, impact contribution approaches, and monitoring and reporting.

Secondaries

In the case of secondary investments, RI analysis is performed at two levels. At the GP level, StepStone assesses a GP's approach to ESG integration in due diligence, engagement, monitoring, and reporting, leveraging any existing analysis completed for primary investments. At the asset level, StepStone utilizes the SASB Materiality Map to inform our analysis of material ESG risk factors. In addition, as a TCFD supporter, we seek to be aligned with their frameworks when considering risks and opportunities around climate change. Combined, this approach allows us to identify key ESG risks at the portfolio level, and whether they are being driven by the GP's systematic behaviors or an asset-specific issue. The research team summarizes findings from ESG due diligence in the investment deck which is reviewed and signed off by the Responsible Investment Committee prior to final approval of the proposed investment by the relevant Investment Committee.

Direct Investments & Co-investments

Similarly, for direct investments and co-investments, StepStone considers the main fund and/or manager ESG due diligence where available and upholds its research-focused approach in its review of the company, project or property, to the extent such information is available. Like secondaries, for co-investments, StepStone deal teams complete an ESG assessment at both the manager and asset levels. Deal teams use several tools when completing the latter, including information from the manager and company, along with SASB materiality standards, and for specific sectors information from GRESB. While StepStone leverages any diligence the manager conducts, deal teams perform additional, comprehensive diligence on co-investment opportunities according to StepStone's proprietary diligence processes. Post investment, deal teams closely monitor the co-investment's performance, including financial and ESG factors. The majority of this monitoring is conducted through regular engagement with the fund manager supplemented by LPACs where StepStone is a member. In cases where StepStone holds a board or observer seat at the asset, we seek to be active in ensuring ESG issues are standard agenda items. Where StepStone does not hold a Board or observer or LPAC seat, we conduct regular update meetings and query on ESG matters via our annual post-investment monitoring outreach.

An ESG analysis is included in the investment memorandum or presentation, approved by the Responsible Investment Committee, prior to final approval of the proposed investment by the relevant Investment Committee.

VIII. Monitoring, Reporting & Transparency

In 2021, we launched our post-investment monitoring outreach to track ESG-related data at the GP, Fund, and asset level to systemically gather ESG data across our portfolio, including GHG emissions. Stepstone leverages two proprietary data science and engineering tools (i.e., SPI and OMNI) to help manage our Responsible Investment processes, including ESG and Impact scores, diversity metrics, ESG risk exposures, and additional ESG and impact metrics.

StepStone seeks to promote timely disclosure from managers of the occurrence of any material ESG matters affecting the funds they manage and their underlying assets, as applicable, including any incident that is a violation of the manager's stated ESG policy, if any, or any incident that the manager determines may, among other things, generate widespread public concern, reputational risk or result in material negative impact on the operations of the manager, the fund and/or its underlying assets. StepStone has a structured engagement approach with respect to critical incidents which is managed through our Responsible Investment governance structure. StepStone reports on critical ESG incidents through its quarterly reports based on information made available by GPs.

Furthermore, StepStone seeks to increase responsiveness from managers of entities in which we invest with respect to our ESG questionnaires and reporting of ESG matters, including the adoption of compliance and/or reporting obligations relating to ESG matters. The Firm also provides tailored ESG reporting to select clients as negotiated on a case-by-case basis.

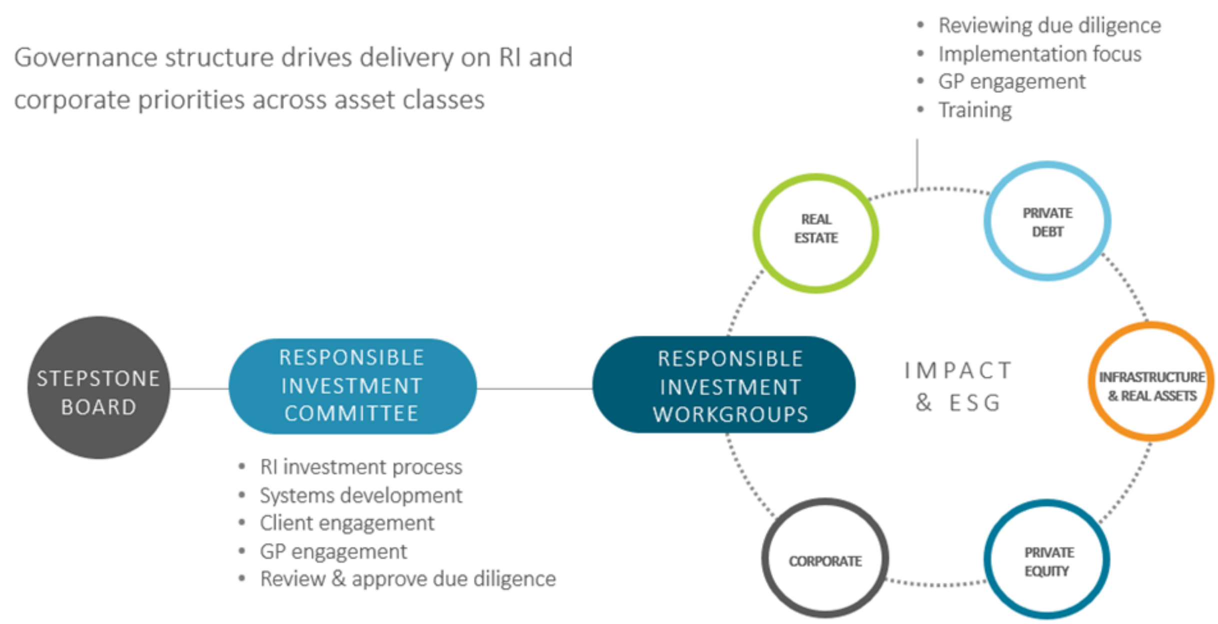
As a signatory to the PRI since 2013, StepStone is committed to the annual reporting and assessment as required by the PRI. This reflects that the Firm stands accountable to the principles, abides by the drive for transparency in disclosing its ESG activities, and helps assess the implementation of its ESG program against objective indicators. StepStone's Transparency Report, a summary of its PRI reporting assessment, is publicly available on the PRI website.

StepStone endeavors to publish ESG, TCFD and diversity, equity and inclusion ('DEI') reports annually, detailing ongoing initiatives and highlights on our ESG-related activities and performance across all asset classes.

IX. Governance & Accountability

The Responsible Investment Committee is governed by a charter approved by the StepStone Board of Directors. StepStone's executive team provides regular updates to the StepStone Board of Directors on Responsible Investment matters underscoring the commitment of leadership oversight on these issues. The Responsible Investment Committee is chaired by the Head of Responsible Investment and comprises senior professionals across asset classes, geographies, and functional areas within the Firm. The design and implementation of this policy and improvement of Responsible Investment processes is governed by the Responsible Investment Committee. In addition, the Responsible Investment Committee is responsible for ensuring that annual training on Responsible Investment matters is provided to relevant StepStone employees such that team members are sufficiently skilled to implement this policy in her or his functional area. Corporate ESG initiatives are led and overseen by the Head of Responsible Investment and supported by the Responsible Investment team and Corporate Responsible Investment Workgroup. The calendar year accomplishments and progress are reported in annual firm-level ESG, TCFD and DEI reports.

StepStone's research team, under the guidance of Responsible Investment Workgroups for each asset class, is ultimately responsible for leading the implementation of the RI process. StepStone views ESG factors as an important investment consideration, hence delegating ownership of these responsibilities to the investment team helps to ensure that ESG factors are integrated within every investment decision. Importantly, the Firm's RI effort is supported by the entire Partner group who has responsibility for policy implementation. The governance structure for Responsible Investment matters is summarized below:



X. Corporate Sustainability

StepStone is committed to incorporating ESG factors across the Firm's operational decision making and internal policies. This includes but is not limited to reviewing and evolving StepStone's governance structures as the Firm grows, incorporating training and benefits targeting the retention and well-being of employees, and assessing modern slavery and human trafficking risks across our supply chain. There are specific efforts to promote DEI, led by the Firm's DEI Committee.

StepStone also has a focus on implementing measures to reduce its carbon footprint and specific efficiency efforts around waste, energy, and water usage. StepStone has been a verified Carbon Neutral company since 2019 and commits to remain so going forward. To assist us in our efforts we engaged with a third-party specialist firm to conduct a comprehensive carbon footprint measurement, analysis, and verification.

StepStone is also active in supporting diversity initiatives both internally and externally, including facilitating employee community engagement. StepStone offers employees extensive support and training on DEI issues and partners with external expert organizations to promote diversity within the industry.

We report on our progress on corporate sustainability initiatives in our annual public ESG report.

XI. Reviewing and Amending the Policy

This policy should be reviewed annually and updated as necessary. This policy should be reviewed annually by the Head of Responsible Investment and the Responsible Investment Committee. The Responsible Investment Committee includes three members of the Board of Directors of StepStone Group Inc.