StepStone Group Climate Policy

Adopted: October 2022

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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 and data 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" and "direct investments").

StepStone supports our clients in meeting their institutional commitments or other responsibilities with respect to sustainable finance initiatives, which may include carbon commitments and related disclosure and reporting requirements. StepStone recognizes the risks and opportunities that climate change poses, and commits to continually enhancing its approach on climate change issues both at the corporate level and within our investment activities.

We are members of the Institutional Investors Group on Climate Change ("IIGCC") and the initiative Climat International ("iCI"), and we participate in a variety of workgroups to actively contribute within these organizations.

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

II. Commitment

As one of the leading allocators of private capital, StepStone recognizes the importance of considering climate-related risks and opportunities within our investment process and engaging with our stakeholders.

StepStone commits to considering relevant climate-related considerations in our internal operations, with a key focus on reducing our operational greenhouse gas emissions, where feasible. StepStone has been a carbon neutral company in our own operations since 2019, and endeavors to commit to carbon neutrality.

III. Climate Change Considerations in Investments

Philosophy

StepStone believes the integration of relevant climate-related considerations in our investment process can protect and improve long-term pecuniary returns for our clients. StepStone believes that climate-related considerations remain an externality which requires thorough due diligence to ensure that material risks and opportunities are incorporated into asset pricing. Given the complexity of climate change, the nascency of carbon pricing mechanisms, and evolving geopolitical factors, pricing inefficiencies remain.

Investment Process

StepStone had been a formal supporter of the Taskforce on Climate-related Financial Disclosures ("TCFD") since 2019 until it was disbanded and continues to implement due diligence aligned to the TCFD framework. When conducting due diligence on an investment opportunity, deal teams consider how relevant and material climate-related opportunities and risks, which may include both physical and transition, have been evaluated by the general partner ("GP"). StepStone deal teams also review track records and conduct asset-level due diligence to evaluate if climate-related risks and opportunities have been managed appropriately, to the extent relevant information is available. StepStone expects material climate considerations to be explicitly factored into financial analysis and operational plans.

Further, StepStone recognizes the complex interrelationship between climate and nature, and that addressing climate change cannot be achieved without addressing nature-related risks, including biodiversity. StepStone considers the work of the Taskforce for Nature related Financial Disclosure ("TNFD") and the Exploring Natural Capital Opportunities, Risks and Exposure ("ENCORE") tool as best practice and seeks to align to these frameworks, where relevant and feasible.

Engaging with GPs on climate issues

At the post-investment stage, we seek to actively engage with GPs on material climate-related risks and opportunities. Where relevant, StepStone advocates for GPs to measure portfolio-level emissions, set science-based targets, increase transparency in their disclosure, and actively supports them in doing so by providing guidance and resources. As one of the leading allocators of capital in private markets, we believe active engagement is one of the most powerful tools for us to address climate-related risks and opportunities within our investments.

Engagement can occur at the GP and/or asset level. Members of StepStone's RI team, RI workgroups and investment teams are involved in such engagements. StepStone generally highlights issues during due diligence processes and then monitors progress on these issues during our direct one-on-one engagements with the GP and/or asset.

As part of our proactive approach to post-investment engagement, we offer advice and guidance to GPs on how they can better manage their portfolio's risk, encouraging them to monitor and report on their portfolio's emissions and implement climate policies and training. Specifically, StepStone advocates that GPs align with global best practice where feasible, which includes disclosing in-line with the TCFD recommendations and the

International Financial Reporting Standards' Sustainability Disclosure Standards, conducting carbon footprinting aligned with the Greenhouse Gas Protocol and the Partnership for Carbon Accounting Financials ("PCAF"), and establishing science-based targets for assets and portfolios. Best practice guidance has been forthcoming from groups such as IIGCC, iCI, PRI and the Science-based Targets Initiative. Furthermore, StepStone has developed detailed post-investment monitoring efforts, which includes data collection on key climate-related metrics. Specifically, StepStone's post-investment monitoring outreach enquires annually about carbon footprinting and emissions reduction targets at the GP, fund and asset level. At the asset level, StepStone practically supports GPs in emissions measurement, and climate-related metrics are collected in alignment with the ESG Data Convergence Initiative.

IV. Corporate Sustainability

StepStone also implements measures to reduce its operational carbon footprint and engages in specific efficiency efforts around waste, energy and water usage. StepStone has been a carbon neutral company in our own operations since 2019 and endeavors to commit to carbon neutrality in the future. To assist us in our efforts, we engage with a third-party specialist firm to conduct a carbon footprint measurement of our operations, and a subsequent review of our emissions boundary and activity data provided.

We report on our corporate sustainability initiatives in our annual corporate Responsible Investment Report.

V. Governance and Accountability

The Climate Policy, including the execution of the broader initiatives included within the policy, is under the purview of the RI Committee, which is governed by a charter approved by the StepStone Global Executive Committee. Periodic updates are provided to the StepStone Board of Directors on climate-related matters, underscoring the commitment of leadership oversight on these issues. The RI Committee is chaired by the Head of Responsible Investment and comprises management team members and senior professionals across asset classes, geographies and functional areas within the Firm. This structure reflects senior leadership support for this effort.

VI. Reporting and Transparency

StepStone endeavors to publish TCFD-aligned reporting in our annual RI Report. As related to annual climate and emissions reporting initiatives within our operations, StepStone continues to disclose operational scopes 1, 2, and 3 emissions, emission reductions initiatives, and details on our carbon offsetting program.

With respect to investment activity reporting, StepStone builds our client reporting based on information made available by GPs. As noted above, while GPs do not systematically report on emissions as standard practice, this practice is developing within private markets. Many GPs remain in the preliminary stages of implementing carbon footprinting across their portfolio companies, and we have tailored our engagements and support of our managers accordingly. StepStone complements GPs efforts by providing PCAF-aligned emissions reporting to clients where required.

VII. Reviewing and Amending the Policy

This policy is scheduled to be reviewed annually by the Head of Responsible Investment and the RI Committee and updated as necessary.