



FLEXSTONE

PARTNERS

Corporate Sustainability Policy

September 2022

The Corporate Sustainability Policy is completed by Flexstone Sustainable Investment Policy provided as a separate document.

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OUR VALUES

Flexstone Partners (“Flexstone”) is a global asset management and advisory firm offering investment solutions across all private markets. At Flexstone, we believe that strong internal governance and engagement in sustainability issues is crucial to promoting responsible decision-making in- and outside of the investment process. Moreover, we believe that it is our duty as a ‘corporate citizen’ to contribute to the sustainable transformation of the financial sector, starting at management company level.

Flexstone is committed to integrating sustainability (‘ESG’: environmental, social, and governance) across all the Firm’s activities, from its governance structure and resource use to its investment processes¹. The Firm’s core conviction is that long-term sustainable development can only be achieved by considering all three dimensions of sustainability: E, S, and G (e.g., the climate crisis can’t be solved without also addressing income and gender inequality).

Therefore, we take a holistic and inclusive approach to sustainability, and have developed our internal sustainability objectives and principles base on the United Nations Sustainable Development Goals (UN SDGs). We also recognize that the sustainable investment landscape is constantly evolving and are committed to reviewing and improving Flexstone’s Corporate Sustainability Policy annually according to the best sustainability practices defined for corporates and investment managers.

Flexstone Sustainability Principles

Flexstone uses the following **six core sustainability principles** to guide its actions as a corporate citizen, investor, and an employer:

Flexstone Core Sustainability Principles



¹ Refer to Flexstone’s dedicated Sustainable Investment Policy

Promotion of Diversity, Equality, and Inclusion

Flexstone seeks to promote diversity and equality through its governance, actions, and policies, and has implemented a firm-wide initiative to support and raise awareness of UN SDGs 4 (quality education), 5 (gender equality), and 8 (decent work and economic growth) both internally and in the wider private equity sector. Flexstone recognizes:

- The historical underrepresentation of women and minorities in the private equity sector, and is committed to promoting increased gender equality and diversity in the industry through various actions, including signing the France Invest Gender Equality Charter, implementing policies to retain female talent, and joining the ILPA Diversity in Action initiative; and
- That diversity, equality, and inclusion are necessary to the development of sustainable business models and communities in the long-run, the delivery of risk-adjusted, responsible returns, and to the achievement of the UN SDGs globally.

Holistic, Global Approach to Sustainability

Flexstone implements its Corporate Sustainability Policy and Principles globally by ensuring that all its employees and teams integrate sustainability considerations in their decision making daily. We apply a holistic approach to sustainability by integrating the three dimensions of sustainability (E, S, and G) with a 'top-down' method starting from Flexstone's role as a corporation and limited partner. As a 'corporate citizen', we have a responsibility to drive change in the industry and believe that by integrating sustainability across our corporate culture and actions, Flexstone can act as a 'reference actor' on sustainability in the private equity industry.

Responsible Governance

Flexstone integrates sustainability throughout its governance and has a dedicated Sustainability Committee with representatives from each team to ensure that its core principles are applied globally. We believe that strong governance is key to driving real change in the economy, and to holding ourselves accountable to our commitments and duties a corporate citizen.

Transparency

At Flexstone, we are committed to transparency of the firm's sustainability objectives, policies, and progress towards achieving these goals. We believe that transparency with our clients and investees is crucial to promoting responsible governance practices and open communication on sustainability issues.

- Starting in 2022, Flexstone is committed to publishing an annual sustainability report on the Firm's internal sustainability initiatives and policy, as well as the sustainability performance of Flexstone's portfolios. Flexstone will communicate on the progress of its sustainability commitments and projects through this report.

Participation in Regional and International Sustainability Initiatives

Flexstone is committed to raising awareness of corporate sustainability, exchanging ideas with its peers, and contributing to national and international efforts to tackle global issues such as climate change. We believe that collective action is crucial to driving change in the financial sector.

- Flexstone is committed to promoting and implementing the objectives of the UN PRI and the Gender Equality Charter sponsored by France Invest, and to become a member of the Initiative Climat International (iCi), ILPA Diversity in Action, and the France Invest Sustainability Commission.

Industry Best Practices

We seek to continuously review and update Flexstone's Corporate and Investment Sustainability Policy and practices according to best industry practices. Notably, Flexstone is committed to improving its capacity to comply with evolving sustainable finance regulations and is keen to contribute to the standardization and transparency of extra-financial disclosure in the private equity sector.

SDG-based Approach

As a key part of its corporate sustainability strategy, Flexstone is committed to contributing to the UN Sustainable Development Goals (SDGs), and promotes an inclusive approach to tackling social, environmental, and governance issues. Flexstone has implemented a firm-wide initiative to promote diversity, equality, and inclusion based on the UN SDGs.

In 2020, Flexstone employees selected four Sustainable Development Goals to guide our actions as a 'corporate citizen'. These four SDGs are 13 (climate action), 4 (quality education), 5 (gender equality), and 8 (decent work and economic growth). Flexstone is committed to contributing to these four SDGs by implementing corporate actions globally that involve all Flexstone employees, and raising awareness on the importance of diversity, equality, and inclusion in the private equity industry.



Flexstone Partners annually commits to:

Support Nonprofit Organizations

Payroll giving program for Paris based employees - donation as a round-down or fixed amount on every paycheck, with a matching system by Flexstone.

- Donate to one association or organization which supports one of the selected SDG per year.
- Dedicate one working day per year for volunteer work with a local association or a dedicated project based on the four SDGs.
- Support all employee sustainability initiatives, on a voluntary basis.

Integrate Flexstone Partners' Sustainable Development initiatives and progress towards its sustainability goals, specifically the selected SDGs, in its annual Sustainability Report.

Actively take part in market-place initiatives to drive change and find new ways of investing capital that supports the development of diverse, inclusive, and sustainable communities and businesses.

Annual Sustainability Report

Starting in 2022, **Flexstone Partners** commits to publishing an annual sustainability report on the Firm's sustainability objectives, actions, and progress towards achieving the Firm's targets. The report will focus on Flexstone's internal sustainability practices, and track key sustainability indicators, including the carbon footprint of Flexstone's activities.

The annual report will comply with current regulatory requirements in the EU, including the Sustainable Finance Disclosure Regulation, as well as the standards set by the Sustainability Accounting Standards Board (SASB) to report on material ESG issues. Flexstone will continue to improve and adapt its annual sustainability report to align with industry best practices and international sustainability disclosure standards.

PUBLIC ENGAGEMENTS

UN PRI

In 2014, Flexstone signed the United Nations Principles for Responsible Investment (“UN PRI” or the “Principles”) to further formalize and reinforce its sustainability commitment.

As a signatory, Flexstone is committed to the following six principles:

Principle 1: We incorporate sustainability criteria into investment analysis and decision-making processes;

Principle 2: We are active owners and incorporate sustainability criteria into our ownership policies and practices;

Principle 3: We seek appropriate disclosure on sustainability highlights and issues by the entities in which we invest;

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

Principle 5: We work together to enhance our effectiveness in implementing the Principles; and,

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

Gender Equality Charter

In 2020, Flexstone committed to the France Invest-sponsored “Gender Equality Charter” with the following stated objectives:

Increase the percentage of women having responsibility for Investment Committee decisions to 25% by 2030 and to 30% by 2035 and to acquire the necessary tools to achieve this objective.

Set a target for women to make up 40% of investment teams by 2030.

Involve management in delivering on these commitments.

Ensure that published job offers are gender neutral and free of gender stereotypes in accordance with the regulations in force.

Ensure non-discriminatory recruitment and assessment practices by:

- Considering several female candidates against male candidates until the end of the process to limit profile analysis bias;
- Making sure to use a gender-neutral list of questions so that women are not asked different questions;
- Ensuring that Flexstone is as evenly represented as possible during the profile assessment, interview, and selection phase; and,
- Broadening the eligible profiles when recruiting for skills related to the unlisted investment business.

Establish monitoring indicators and communicate them annually to track and measure progress.

Implement measures to retain female talent.

In addition to the Gender Equality Charter, Flexstone is committed to promoting **gender inclusion**, including, but not limited to, the following actions:

- Implementing a ‘No Tolerance’ policy for harassment or discrimination of any kind;
- Providing diversity training to all Flexstone employees on topics such as gender expression, identity, and inclusive communication practices; and
- Integrating best practices for gender inclusion across recruitment and communication practices, including the use of gender-neutral and gender-inclusive pronouns.

By adhering to these targets, Flexstone affirms its determination to take an active approach to improving gender equality and inclusiveness in management companies that run the funds that Flexstone invests in by making our investment activities more inclusive and attractive.

Initiative Climat International

In 2022, Flexstone commits to join the initiative Climate international (iC International), a global private equity community that takes action on climate on the management company's and portfolio's levels. By joining the iC international initiative:

We recognize that climate change will have adverse effects on the global economy, which presents both risks and opportunities for investments.

We will join forces to contribute to the objective of the Paris Agreement to limit global warming to well-below two degrees Celsius.

We will actively engage with portfolio companies to reduce their greenhouse gas emissions, contributing to an overall improvement in sustainability performance.

We will commit to the following actions:

- Publicly **demonstrate commitment to act on climate change** by becoming a signatory
- **Engage with GPs on climate change** to further the commitments and goals of iC International
- **Support and promote the iC International to PE firms** under which funds are entrusted
- **Integrate climate change analysis** into investment process
- Meaningfully engage with PE firms under which funds are entrusted **to develop an emissions reduction and climate change action plan**

Institutional Limited Partners Association – Diversity in Action Initiative

In 2022, Flexstone commits to becoming a signatory of the ILPA *Diversity in Action* initiative. The *Diversity in Action* initiative brings together limited partners and general partners who share a commitment to advancing diversity, equity, and inclusion (DEI) in the private equity industry. The goal of the initiative is to motivate market participants to engage in the journey towards becoming more diverse and inclusive and to build momentum around the adoption of specific actions that advance DEI over time.

As a signatory, Flexstone commits to the following combination of foundational and optional activities:

Has in place a DEI statement or strategy, communicated publicly, and/or a DEI policy communicated to employees and investment partners, that addresses recruitment and retention²

Tracks internal hiring and promotion statistics by gender and race/ethnicity³

Has in place organizational goals that result in demonstrable practices to make recruitment and retention more inclusive

Requests DEI demographic data for any new commitments³

Tracks gender and race/ethnicity statistics within GPs organizations³

Provides unconscious bias training for employees on an ongoing basis

France Invest Sustainability Commission

In 2022, Flexstone commits to join **the Sustainability Commission of France Invest**. The Sustainability Commission is a working group which aims at supporting companies by providing tools to incorporate ESG issues into their processes. Flexstone believes that promoting sustainability within the private equity industry is pivotal to the development of more sustainable businesses and investment products, notably through the exchange of best practices between peers. Moreover, Flexstone recognizes the importance of contributing its part as a corporate citizen to building a sustainable economy in the long-run and believes that the Sustainability Commission's work is fundamental to driving change in the private equity sector.

² In addition, participating organizations should address harassment, either within the DEI policy or within a separately articulated policy or statement.

³ At minimum, gender data. Racial/ethnic data to be provided in jurisdictions allowing for the capture and reporting of such information.

DIVERSITY, INCLUSION, & WELL-BEING

Corporate Social Responsibility

At Flexstone, we believe that human capital, diversity, and gender equality add value to the Firm and are essential to developing a sustainable economy. Therefore, we have chosen to demonstrate our commitment to these topics by:

Communicating on Sustainable Development Goals 4 & 5 to promote social equality and opportunity and **Sustainable Development Goal 8** to enhance diversity and inclusion;

Ensuring that our global culture, workplaces, and HR policy are gender-inclusive, and provide a safe and rewarding working environment to all employees on a daily basis;

Signing the Gender Equality Charter sponsored by France Invest/Sista. Such charter requires very specific quantitative gender balance objectives to be met by 2030;

Implementing a ‘No Tolerance’ policy for harassment or discrimination of any kind;

Ensuring the integration of best practices for gender inclusiveness and diversity in our HR policy, recruitment, and communication practices; and,

Committing to becoming a signatory of the ILPA Diversity in Action Initiative which focuses on a foundational set of actions that LPs and GPs can take to advance diversity, equality, and inclusion, both internally and within the private equity industry more broadly.

By demonstrating this commitment and adhering to formal and recognized industry initiatives, Flexstone affirms its determination to take an active approach to improving diversity and gender equality in the fund managers and portfolio companies by making its investment activities more inclusive and attractive.

CLIMATE ACTION

Net Zero Strategy

Flexstone Partners is currently developing its net-zero climate strategy and completing an in-depth carbon assessment of its internal activities. The firm seeks to achieve net-zero carbon emissions by 2050, in alignment with the Paris Agreement which aims to limit global warming well-below 2°C compared to pre-industrial levels, specifically below 1.5°C. Flexstone is committed to setting a long-term, science-based net-zero target by 2023, and to monitor and report on its progress towards its target annually.

In order to achieve its emission reduction targets and contribute to the net-zero transition of the global economy, Flexstone commits to the following actions:

Collecting, monitoring, and reporting on the Firm's carbon footprint annually, starting 2022;

Identifying actions to reduce, as much as possible, its carbon footprint; and,

Developing a carbon offset scheme to systematically offset the Firm's CO₂ emissions from energy and transport and to finance the development of high-quality carbon markets.

Climate Initiatives

Flexstone is committed to reducing its environmental impact by managing its buildings and resources responsibly and by monitoring and controlling its CO₂ emissions. This includes, but is not limited to, the following actions:

Carbon assessment: Flexstone seeks to assess its activities' exhaustive carbon footprint regularly, starting in 2022. This assessment will allow the Firm to identify the most carbon-intensive assets in its portfolios, specifically the assets that have the highest exposure to material carbon risk (e.g., high carbon prices, regulatory changes, etc.). The carbon assessment is a key part of Flexstone's climate strategy, including its plan to monitor and reduce its emissions.

Responsible use of paper: Flexstone pursues a responsible paper policy in each of the Firm's offices, with the objective of reducing the use of paper and encouraging its employees to make more sustainable decisions daily.

Responsible waste management: Flexstone has implemented a responsible waste management policy for several years and has promoted selective sorting through the voluntary use of recycling bins.





Removing plastic: In 2019, Flexstone embarked on a plastic reduction initiative. Water fountains equipped with microfiltration systems were installed in each office and employees were given aluminium bottles. In addition, all disposable plastic coffee and water cups were replaced with eco-friendly cups and bottles.

Travel policy: The Flexstone travel policy is applicable to all its entities globally, and demonstrates the Firm's desire to reduce its CO₂ emissions through the following requirements: validation of the need to travel, prior authorisation for travel abroad, rail for journeys of under three hours, travel justification (internal (intra-group) travel or external travel for participation at a conference or client visits), etc.

Carbon offsetting: Flexstone is committed to developing a carbon offset scheme in 2022 to systematically offset its CO₂ emissions from energy and transport. On a best effort basis, the scheme will follow best practices for carbon offsetting, with the objective of contributing to the development of high-quality carbon markets and financing various projects, including agroforestry, rural energy, and ecosystem restoration.

GOVERNANCE

Flexstone established the Firm's interdisciplinary Sustainability Committee in January 2022 (previously 'the ESG Working Group'), which held its first semi-annual meeting in June 2022. The Committee is led by Flexstone's Managing Partner, Eric Deram, and dedicated Sustainability Analyst, Annabel Vaananen. The Committee includes representatives from each office (Paris, Geneva, New York, Singapore) and team (Investments, Compliance, Operations) in order to ensure consistent implementation of Flexstone's sustainability strategy across the Firm.

Dedicated Sustainability Analyst		
 <p>Eric Deram Managing Partner Based in Europe</p> <p>Historical sponsor for Flexstone Sustainability values, he promotes and supports Flexstone's sustainability conviction and approach.</p>	 <p>Annabel Vaananen Analyst, Sustainability Based in Europe</p> <p>Contributes to the development and implementation of Flexstone's global corporate sustainability strategy and sustainable investment approach.</p>	 <p>Candice Marmin Associate, Investments Based in Europe</p> <p>Specialist for the Private Equity Impact market in Europe.</p>
 <p>Hans DeWitte Managing Director Based in New York</p> <p>Contributes to the development of Flexstone's sustainability framework at corporate level and ensures consistent implementation and monitoring of the Firm's sustainability approach in the US.</p>	 <p>Julien Paillé Director, Compliance Based in Europe</p> <p>Makes sure that Flexstone Sustainability approach complies with all regulations and is properly implemented.</p>	 <p>Ivy Omar Executive Director Based in Singapore</p> <p>Sustainability champion for social actions. Proposes concrete actions, coordinates their implementation, and contributes to data tracking and monitoring.</p>

Our dedicated Sustainability professionals are responsible for developing and implementing Flexstone's sustainability strategy in collaboration with the Sustainability Committee. The sustainability strategy is also consulted by the investment team, CIOs, and our CEO after the initial review by the Committee. Flexstone's Sustainability Policy is reviewed by the firm's Executive Committee at least once per year.

The Committee's broader responsibilities include:

Approving annual updates or amendments to Flexstone's Sustainable Investment Policy and Corporate Sustainability Policy, proposed by Flexstone's dedicated sustainability professionals and reviewing policy on at least an annual basis;

Approving updates to the firmwide Climate-related Corporate Strategy on at least an annual basis;

Approving new investment strategies that formally integrate ESG factors or social/environmental impact objectives as part of their investment process;

Monitoring the Sustainability-related aspects of existing investment strategies that formally integrate ESG factors or social/environmental impact objectives as part of their investment process;

Supporting the process of enhancing the integration of ESG factors into investment analysis and decision-making across the firm;

Supporting engagement activities with GPs and portfolio companies;

Facilitating the sharing of research, analysis, and insights on Sustainable issues and trends;

Supporting efforts to collaborate with clients and others in the investment industry to support the broader acceptance and implementation of Sustainable investing;

Supporting efforts to address the emerging and evolving regional regulatory landscape⁸;

Overseeing reporting to third-party organizations on our sustainable investing activities, including the UN PRI;

Listening to clients and anticipating their evolving Sustainable-related needs and objectives; and,
Incorporating Sustainability in the Agenda of at least one Board meeting per year.

⁸ For example, EU Regulation on sustainability related disclosures in the financial services sector (SFDR)

CONTACTS

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Flexstone Partners (“Flexstone”)¹ is a leading investment solutions provider in private assets with a global reach and local footprints in New York, Paris, Geneva, and Singapore. It specializes in the selection of private equity, private debt, real estate, and infrastructure fund managers for investment by Flexstone’s clients. Flexstone manages primary and secondary investments as well as co-investments. Flexstone’s expertise is distinguished by a high flexibility in building customized portfolios that are tailored to the unique needs and constraints of each investor whether institutional or private individual². Flexstone offers a large range of services, from advising on private assets portfolio construction to the management of fully discretionary separate accounts and funds of funds. Flexstone, with more than 40 professionals, manages \$10 billion³. It is a majority owned subsidiary of Natixis Investment Managers, one of the largest investment managers worldwide.

Further information: www.flexstonepartners.com

1 - Flexstone is the name that collectively identifies Flexstone and its underlying companies.

2 - Under certain conditions related to marketing and prospection regulatory requirements specific to each entity.

3 - Source: Flexstone Partners at 31/12/2021. Assets under management and advisory made up of commitments for closed-end private placement funds, and sum of Net Asset Value and unfunded commitments otherwise.

GLOSSARY OF TERMS

Sustainable investment is defined as an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water, and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy; or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. (Regulation (EU) 2019/2088, *Article 2 (17)*)

Sustainability ('ESG') risk is defined as an environmental, social, or governance event or condition, that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. (Regulation (EU) 2019/2088, *Article 2 (22)*)

Sustainability ('ESG') factors are environmental, social, and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. (Regulation (EU) 2019/2088, *Article 2 (24)*)

Material ESG factors have a substantial impact on the current and future financial, economic, reputational, and legal prospects of an issuer, security, investment, or asset class. At a corporate or issuer level, the disclosure of a material ESG issue or factor would be reasonably expected by investors, as its omission would result in an incomplete understanding of current or future financial prospects. (UN PRI)

ESG Integration is the process of including ESG factors in investment analysis and decisions to better manage risks and improve returns. It is often used in combination with screening and thematic investing. (UN PRI)

EU Taxonomy for Sustainable Activities is a classification system, establishing a list of environmentally sustainable economic activities. The Taxonomy Regulation was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020. It establishes the basis for the EU taxonomy by setting out 4 overarching conditions that an economic activity has to meet in order to qualify as environmentally sustainable.

The Taxonomy Regulation also establishes the following six environmental objectives: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. (The EU Commission)

Sustainable Finance Disclosure Regulation (SFDR) was adopted by the European Commission in spring 2019 and published in the Official Journal on the 9th of December 2019. The regulation came into effect on the 10th of March 2021.

The disclosure regulation lays down sustainability disclosure obligations for manufacturers of financial products and financial advisors towards end-investors. In addition, the co-legislators added disclosure obligations for adverse impacts ('principle adverse impacts') on sustainability matters at entity and financial product levels, i.e., whether financial market participants and financial advisers consider negative externalities on environment and social justice of the investment decisions/advice and, if so, how this is reflected at the product level. (The EU Commission)

UN Sustainable Development Goals (SDGs) are at the heart of the 2030 Agenda for Sustainable Development adopted by all United Nations Member States in 2015. The SDGs are an urgent call for action by all countries – developed and developing – in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests. (UN PRI)