

PATHWAY'S RESPONSIBLE INVESTING POLICY

Principles of Responsible Investing

Responsible Investment Factors

The United Nations–supported Principles for Responsible Investment (“UNPRI”) has identified the financial relevance of ESG issues as contributing to the development of a more stable and sustainable financial system. Where consistent with Pathway’s fiduciary duties, Pathway aims to identify and assess material ESG risks and seeks to positively influence the outcome relating to investments to the extent operationally feasible.

Environmental—Environmental issues are defined as problems with the planet’s systems (air, water, soil, etc.) that have developed as a result of human interference or mistreatment of the planet. These include global warming, deforestation, air and water pollution, overpopulation, soil erosion or contamination, destruction of natural habitats, destruction of natural resources, oil spills, nuclear waste, acid depositions, natural disasters, greenhouse effects, sea level rise, burning of fossil fuels, and species extinctions.

Social—Social issues are defined as problems impacting large groups of people caused from corporate irresponsibility in business practices. These include forced labor, child labor, work place safety and quality, occupational health, product liability, treatment of employees, activities in conflict zones, distribution of fair trade products, and relations with local communities.

Governance—Governance issues are defined as problems impacting how companies and/or countries are governed. These include executive benefits and compensation, bribery and corruption, business ethics, risk management, compliance with applicable laws and regulations, adherence to fiduciary duty, and conducting business with integrity, honesty, and fairness.

Principles

Pathway is committed to giving proper and appropriate consideration to ESG issues when implementing changes to internal policies, practices, and processes, while maintaining its fiduciary duty to its clients/investors, and to generally following the principles below:

1. Incorporating ESG issues into our investment analysis and decision-making processes.
2. Requesting that general partners incorporate ESG issues into their policies and procedures.
3. Requesting that general partners provide appropriate disclosures regarding ESG issues in the partnerships and portfolio companies in which the Company’s clients invest.
4. Promoting acceptance and implementation of the Principles within the private market industry.
5. Working with stakeholders to enhance the Company’s effectiveness in implementing the Principles.
6. Reporting on the Company’s activities and progress toward implementing the Principles.

Implementation Process

Pathway believes that implementing ESG practices in its investment processes will promote sustainable ESG management, minimize risk, and improve long-term returns to the Company’s clients/investors. Pathway will educate its investment professionals with regard to their specific obligations in implementing ESG practices.

Prior to Investing in a Partnership or Co-investment

During the extensive due diligence process, a due diligence questionnaire (“Pathway’s Due Diligence Questionnaire”) is sent to the general partner requesting information pertinent to Pathway’s analysis of the investment opportunity. The request addresses, among other things, how the general partner has incorporated ESG issues into its investment decision-

making process and the effect that such incorporation has had on its decision to invest. Pathway seeks to understand the general partner's operational capabilities, transparency, and sustainability; the governance practices of a fund or portfolio company; and the industry focus and geographic operation, as well as other social or environmental impacts of a fund's investments. Pathway also considers (a) a general partner's stance regarding UNPRI; (b) the extent to which ESG issues are incorporated into the general partner's policies and into its investment analysis and decision-making processes; (c) the extent to which the general partner addresses ESG issues with the companies in which it invests; and (d) the guidance given by the general partner to its portfolio companies. Their responses are viewed and analyzed based on their investment strategies, and any material concerns are discussed with the general partner for clarification and corrective action. If a material ESG issue arises, it is presented to the Investment Committee to determine further action.

Investment Committee

The deal team, which is assigned by Pathway's chief investment officer for each investment opportunity, presents to the Investment Committee any material ESG concerns, including but not limited to, the general partner's ESG policies, the general partner's investment history reflecting any known ESG issues that would have clearly been in violation of this policy, and the likelihood of a recurrence. The Investment Committee then determines any additional diligence the deal team must take to mitigate any material ESG issues. Where consistent with Pathway's fiduciary duties, the Investment Committee will not approve an investment if the material ESG issues cannot be resolved or mitigated.

Legal Document Negotiations

During the due diligence process, Pathway works to address material ESG issues that were revealed during its diligence and also works to set appropriate ESG measures with the general partner. Pathway's in-house counsel and deal team discuss the relevant material ESG issues and seek to set appropriate terms with general partners. Pathway requests that the general partner communicate any material ESG issues that arise in the investment partnership portfolio during the life of the partnership.

Monitoring Investments

Pathway makes a concerted effort to be aware of a general partner's ESG practices through monitoring. The Company seeks to monitor and influence the behavior of an investment partnership on a range of matters, including ESG factors. Pathway interacts with general partners throughout the year to better understand the general partner's consideration of ESG issues. If requested, Pathway will provide to the general partner materials related to ESG issues, with the goal of expanding the general partner's knowledge of ESG practices within the private market industry.

Reporting to Investors

Pathway reports to its clients/investors on Pathway's responsible investing activities, including any material ESG concerns that may arise within the clients/investors investment portfolios, and provides a summary of actions taken by the general partners to address these concerns.

Additional Implementation Steps

Investment professionals shall comply with Pathway's Principles of Responsible Investing Policy, integrate ESG issues into their investment analysis and decision-making, and establish a dialogue with general partners about material ESG issues when necessary. Pathway trains its investment professionals on the benefits of responsible investing and on the long-term advantages of the risk/return performance profile that responsible investing provides to Pathway's client/investor portfolios.

Summary

Pathway has a fiduciary duty to act in the best long-term interests of its clients/investors. With this duty in mind, Pathway believes that ESG issues can affect the performance of the Company's investment portfolios. Pathway also recognizes that applying these Principles may better align investors with the broader objectives of society. Pathway is committed to applying these Principles where it can promote, influence, or implement change to create more-sustainable markets while fulfilling its fiduciary duty to its clients/investors.