

# PATHWAY'S RESPONSIBLE INVESTING POLICY

## Principles of Responsible Investing

Pathway Capital Management, LP, and its affiliates (collectively, "Pathway" or the "Company"), maintain a culture of responsible investing and are committed to a policy that appropriately considers all risk factors, including matters related to environmental, social, and governance (ESG), when assessing new investment opportunities and managing client portfolios. As a fiduciary first and also a steward of capital for investors, Pathway recognizes the importance of integrating ESG issues into its business practices to create more-sustainable markets in a manner consistent with its fiduciary duty to its clients/investors.

### Responsible Investment Factors

Pathway supports the belief that the financial relevance of ESG issues contributes to the development of a more stable and sustainable financial system. Pathway is committed to (i) maintaining a policy that sets out the overall approach to responsible investing, (ii) establishing senior-level oversight, and (iii) ensuring appropriate implementation by internal staff.

Where consistent with Pathway's fiduciary duties, Pathway aims to identify and assess material ESG risks related to potential investments and seeks to positively influence the outcome relating to investments to the extent operationally feasible.

**Environmental**—Pathway defines environmental issues as problems with the planet's systems (e.g., air, water, and soil) that have developed as a result of direct or indirect human activity or interference.

**Social**—Pathway defines social issues as problems impacting large groups of people, caused primarily by corporate irresponsibility in business practices.

**Governance**—Pathway defines governance issues as problems affecting or resulting from how companies and/or countries are governed.

### Principles

Pathway is committed to giving appropriate consideration to ESG issues when implementing changes to internal policies, practices, and processes and when evaluating ESG practices when making investment decisions, in a manner consistent with its fiduciary duty to its clients/investors.

Pathway generally follows the following principles:

1. Incorporating due diligence related to relevant ESG issues in the Company's investment analysis and decision-making processes.
2. Inquiring if general partners incorporate ESG issues into their policies and procedures and, if not, understanding the reasons behind this decision and encouraging active redress.
3. Requesting that general partners provide appropriate disclosures regarding any ESG issues relevant to the partnerships and portfolio companies in which the Company's clients invest.
4. Promoting acceptance and implementation of ESG standards in the private equity industry.
5. Working with stakeholders to enhance the Company's effectiveness in implementing ESG practices.
6. Reporting on the Company's activities and progress toward implementing the ESG principles.

## Implementation Process

Pathway believes that implementing ESG practices in its investment processes can reduce risk and improve long-term returns to the Company's clients/investors and, therefore, educates its investment professionals regarding their specific obligations in implementing ESG practices.

Prior to investing in a partnership or co-investment, 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 considers (i) a general partner's stance regarding ESG; (ii) the extent to which ESG factors are incorporated into the general partner's policies and into its investment analysis and decision-making processes; (iii) the extent to which the general partner addresses ESG issues with the companies it invests in; and (iv) the guidance given by the general partner to its portfolio companies.

During the due diligence process, Pathway requests information pertinent to the 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.

Responses are viewed and analyzed based on the investment strategies of each general partner, 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

As part of its recommendations to the Investment Committee, the assigned deal team will present to the Investment Committee any material ESG concerns, including but not limited to a 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 conduct to mitigate any identified material ESG issues. Where consistent with Pathway's fiduciary duties, the Investment Committee will not approve an investment if 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 and to set appropriate ESG measurements with the general partner. Pathway's in-house counsel and the deal team discuss the relevant material ESG issues and seek to set appropriate terms with general partners. Among other things, Pathway requests that each general partner communicate any material ESG issues that arise in the investment partnership portfolio during the life of a 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 in 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 any issues.

## Integration Guidelines

Investment professionals shall comply with Pathway's Principles of Responsible Investing Policy, integrate ESG issues into their investment analysis and decision-making, and establish dialogue with general partners about material ESG issues when necessary. Pathway provides instruction to its investment professionals on the benefits of responsible

investing and on the long-term advantages to the risk–return profile that responsible investing provides to Pathway's client/investor portfolios.

## Exclusions

Pathway will refrain from making investments that are not consistent with its fiduciary duties. Such exclusions generally include the following:

- Legally required exclusions (e.g., those required by domestic/international law, bans, treaties, or embargoes)
- Exclusions resulting from screening for minimum standards of business practice based on international norms (e.g., OECD guidelines, the UN Human Rights Declaration, Security Council sanctions, or the UN Global Compact)
- Exclusions based on our and/or our clients' values or beliefs, as laid out in the agreements governing individual client programs (e.g., regarding controversial weapons, alcohol, or tobacco and/or avoiding other particular sectors, products, services, or regions)

## Summary

Pathway has a fiduciary duty to act in the best long-term interests of its clients/investors and recognizes the importance of evaluating all risk factors—including ESG risks—when assessing new investment opportunities and managing client portfolios. Therefore, Pathway is committed to its Principles of Responsible Investing to optimize the risk–return profile of its client portfolios.