

StepStone Group Stewardship Policy

Adopted: October 2022

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').

StepStone recognizes the role that effective stewardship activities can play in private markets, particularly given the nature of investment relationships and extended holding periods for investments. Our stewardship efforts are supported and directed by our culture, which is informed by our core values. Our fiduciary duty to our clients is central to our values, which are paramount to the success of our organization and are deeply embedded in all aspects of our business, policies and processes.

We recognize our responsibility to not only add economic value but conduct our business in a way that fosters an enduring organization and contributes to a more sustainable economy. We see it as our duty as stewards and responsible investors to embody the culture and values of StepStone in the work that we do every day.

This policy is implemented by the Responsible Investment ('RI') Committee and applied globally across the firm's asset classes and investment strategies.

II. Stewardship in our Investment Process

StepStone recognizes our responsibility to advocate for greater adoption of RI practices through the ownership chain from asset owners ('LPs') to investment managers / general partners ('GPs'), and across the investment holding period from due diligence through to ownership, engagement, monitoring and reporting.

Annually, we conduct thousands of meetings with GPs to evaluate new investments, monitor investment performance and advocate for change within such organizations, which is critical in driving change in portfolio companies. We also utilize these meetings to identify further opportunities to engage with GPs on responsible investment. Our active approach to engagement is achieved through the following methods (where applicable):

- Board seats
- Observer roles on boards
- Participation in annual general meetings (AGMs)
- Participation in Limited Partner Advisory Committee (LPAC) meetings
- Dedicated engagement meetings
- Site visits

We seek to engage with GPs with the objective of achieving meaningful change on RI matters, and a core element of our approach is to support GPs on their RI efforts. Examples include formalizing GPs' RI policies and programs, bringing GPs into alignment with global frameworks (including the United Nations Principles for Responsible Investment ('PRI') and the Task Force on Climate-related Financial Disclosures ('TCFD') among others) and helping GPs to address Environmental, Social and Governance ('ESG') risks and opportunities at the asset level. With respect to the latter, while the focus of each engagement will differ on a case-by-case basis, we generally emphasize issues that we believe represent systemic risks. This includes climate change, cybersecurity, and human rights, among other issues.

StepStone has also developed tailored materials targeted for GPs to provide guidance on implementing robust responsible investment programs. This is an effective approach that enables us to reach a large number of GPs in a highly efficient manner, providing them with instant access to RI materials. We seek to share best practices around engagement efforts internally through case studies and discussions.

Escalation

StepStone considers escalation approaches when regular engagement is challenged and works in concert with our stakeholders in this regard. Part of these efforts include escalating critical ESG incidents, where we have developed a structured approach to investigate potential incidents on behalf of our clients. StepStone considers critical ESG incidents to include any violation of the GP's stated ESG policy or potential breach of their code of conduct, as well as any incident that has a material negative impact on the GP/LP's reputation and/or asset/portfolio value.

Upon identifying a critical incident, we work with the GP or company management to mitigate or resolve issues. This may involve bringing in specialists and/or consultants and making amendments to policies and procedures, where necessary. StepStone reviews whether the issue is isolated or symptomatic of broader cultural or systemic issues. Every incident provides an opportunity to evaluate a GP or company's policies and procedures, and see whether there is potential for improvement.

Public Securities

While StepStone engages in private markets, there are certain situations when an exposure to listed instruments occurs for limited time periods (e.g., following the IPO of a private company). In such cases, StepStone reviews and actively votes on resolutions on behalf of our clients for investments over which we have custody. Our policy on proxy voting is embedded within our Global Compliance Manual.

III. Collaborative Stewardship

StepStone looks to collaborate with industry working groups, contribute to organized collaborative engagement efforts, and engage directly with policymakers through consultation processes where relevant. Efforts include providing formal letters of support and feedback on policy/regulatory issues. Further, StepStone is proud to have collaborated with many industry working groups who, in turn, work directly with policymakers. StepStone is a part of the PRI EU Taxonomy Workgroup, PRI Global Policy Reference Group, Invest Europe Workgroups on Non-Financial Reporting Directive ('NFRD') and Sustainable Finance Disclosure Regulation ('SFDR'), the PRI LP ESG Due Diligence Questionnaire ('DDQ') Working Group, the Institutional Investors Group on Climate Change ('IIGCC') Private Equity and Infrastructure Workgroups, and the LP-GP Disclosure Workgroup of Initiative Climat International ('ICI'). In 2022, StepStone was appointed to the PRI's Private Equity Advisory Committee. Through these stewardship channels, StepStone hopes to influence new policy and work toward creating positive change in private markets and beyond.

We also maintain ongoing engagement with our stakeholders, using a variety of channels to expand our reach. Public stewardship channels include our website, social media, our "Reflections on Private Markets" podcast, and white papers.

IV. Reporting & Transparency

StepStone endeavors to publish ESG, TCFD and Diversity, Equity and Inclusion ('DEI') reports annually, detailing ongoing stewardship initiatives and engagement highlights from the calendar year. In addition, StepStone reports on ESG incidents through its quarterly reports as provided by managers or on an ad hoc basis, depending on the nature of the issue. The firm also provides tailored ESG reporting to select clients as agreed on a case-by-case basis.

V. Conflicts of Interest

As a registered investment advisor, it is our fiduciary duty to act solely in the best interests of our clients and to make full and fair disclosure of any conflicts of interest. We maintain a [Code of Conduct and Ethics](#), in order to maintain the highest level of professional service. Within its pages, our policy on conflicts of interest is outlined. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest. If any material conflict of interest exists, including any in relation to stewardship, the Chief Compliance Officer will determine what actions are the most appropriate to follow. Further, StepStone looks to help GPs resolve conflicts of interest in their operations as appropriate.

VI. Governance

StepStone's Responsible Investment governance structure provides oversight of any engagement or public position to ensure alignment with the values of the Firm and the objectives as stated in its [Responsible Investment Policy](#).

VII. Reviewing and Amending the Policy

This policy should be reviewed annually and updated as necessary. This policy should be reviewed 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.