StepStone Group
Responsible Investment Policy

Adopted: March 2014
Updated: April 2024

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 private equity and venture capital, 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').

Responsible investment ('RI'), encompasses environmental, social and governance ('ESG') and where relevant impact investing considerations. It is a core tenet of our operating and investment philosophies. We believe that full integration of ESG factors in both our investment process and internal operations will improve long-term, pecuniary returns for our clients.

As one of the leading allocators of private capital, StepStone recognizes its role in promoting the consideration of relevant ESG factors, and impact considerations where appropriate, through its investment process and in engagement with its stakeholders. Furthermore, StepStone commits to considering relevant ESG factors in its internal operations, as feasible.

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

II. Objectives

StepStone integrates RI considerations into its investment process with the aim of conducting fulsome risk and opportunity analysis because the Firm believes this has the potential to (i) enhance the evaluation of forward-looking pecuniary returns of an investment opportunity and (ii) protect and maximize overall value for clients.

Exposure to private markets is generally associated with longer investment terms. As such, StepStone believes that private markets programs are particularly well suited to deliver real world outcomes and may be aligned with certain Sustainable Development Goals ('SDGs') or specific themes or systemic issues, such as climate change or social equity. To help clients deliver positive outcomes, StepStone endeavors to align with industry best practices regarding investment and stewardship activities, leveraging leading frameworks and tools, as discussed in Commitment below.

With respect to climate change, StepStone recognizes the Paris Agreement and works to support our clients who so desire in their goals to build Paris Agreement-aligned portfolios that are consistent with reducing global net emissions by 2050. Further, StepStone looks to support our clients in meeting their institutional responsibilities with respect to sustainable finance initiatives, which may include carbon commitments and related disclosure and reporting requirements.

III. Commitment

We became a signatory to the United Nations-supported Principles for Responsible Investment ('PRI') in 2013, adopted this responsible investment policy in 2014 and created a StepStone Responsible Investment Committee in 2017.

StepStone is an alliance member of the International Financial Reporting Standards ('IFRS') and was a supporter of the Financial Stability Board's Task Force on Climate-Related Financial Disclosures ('TCFD') before it was disbanded and integrated within IFRS. We are also members of the Global Real Estate Sustainability Benchmark ('GRESB') as well as several organizations that advocate for responsible investing, including the initiative Climat International ('iCI'), Pensions for Purpose, Invest Europe, the Institutional Limited Partners Association's Diversity in Action ('ILPA DIA') initiative, and Ownership Works, among others.

For clients with specific impact goals, StepStone seeks to deliver best practice solutions aligned to recognized frameworks or regulation, which may include the SDGs, Operating Principles for Impact Management, Impact Management Project, IRIS+, Sustainable Financial Disclosure Regulation (SFDR) in the EU, Sustainability Disclosure Requirements (SDR) in the UK, and the recommendations of the Institutional Investors Group on Climate Change ('IIGCC').

StepStone is committed to continually improving its Responsible Investment program. StepStone's Responsible Investment journey is summarized in the diagram below.

2013	2014	2017	2019	2020	2021	2022	2023
• Became PRI signatory	• Adopted RI Policy	• **Created RI Committee** • Created DEI Committee	• Became TCFD supporter • Became SASB member • Created asset class RI workgroups • Introduced ESG scorecard for primaries • Committed to carbon neutrality in our operations	• Became GRESB member • Launched Impact capabilities • ILPA Diversity in Action founding signatory	• Became iCI member • Became IIGCC member • VentureESG supporter • ESG Data Convergence Initiative supporter	• Published Corporate ESG, TCFD, DEI and Stewardship Reports • Ownership Works founding supporter	• Developed specialized ESG in Private Markets client dashboards • Impact investment solutions reached \$20B Total Capital Responsibility • First accepted as a signatory to the UK Stewardship Code

Diagram 1 – RI Journey

IV. Guidelines

This policy is informed by StepStone's Objectives noted in Section III and the firm's commitment to the PRI's six Principles for Responsible Investment (the 'Principles'), which are:

- We will incorporate ESG issues into investment analysis and decision-making processes.
- We will be active owners and incorporate ESG issues into our ownership policies and practices.
- We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- We will promote acceptance and implementation of the Principles and recognition of UN Sustainable Development Goals within the investment industry.
- We will work together to enhance our effectiveness in implementing the Principles.
- We will each report on our activities and progress towards implementing the Principles.

In addition to these guidelines, StepStone has adopted a series of asset class specific guidelines, good governance guidelines, a dedicated climate policy and a stewardship policy.

V. Governance & Accountability

The Responsible Investment Committee is governed by a charter approved by the StepStone Global Executive. StepStone's executive team provides periodic updates to the StepStone Board of Directors on Responsible Investment matters, underscoring the commitment of leadership oversight on these issues. The Responsible Investment 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.

This policy together with the broader ESG policy suite and related guidelines are approved by the Responsible Investment Committee. Further, the RI Committee is responsible for ensuring the effective operation of the RI Governance structures which include the RI Workgroups (reference diagram 2). A key part of the RI Workgroup's remit is to ensure sufficient training, support and resources on Responsible Investment matters are provided to relevant StepStone employees such that team members are sufficiently enabled to implement this policy in her or his functional area.

StepStone's Responsible Investment team leads the design of relevant ESG and Impact investment processes pre- and post-investment. The investment team, under the guidance of Responsible Investment Workgroups for each asset class and Responsible Investment team, is ultimately responsible for the implementation of the RI process. StepStone views relevant ESG factors as an important investment consideration, hence delegating ownership of these responsibilities to the investment team is designed to ensure that relevant ESG factors are integrated within investment decisions. Corporate ESG initiatives are led and overseen by the Head of Responsible Investment and supported by the Responsible Investment team and Corporate Responsible Investment Workgroup. The calendar year accomplishments and progress are reported in the annual corporate Responsible Investment Report which encompasses ESG, DEI, Climate and Stewardship reporting.

The governance structure for Responsible Investment matters is summarized below.

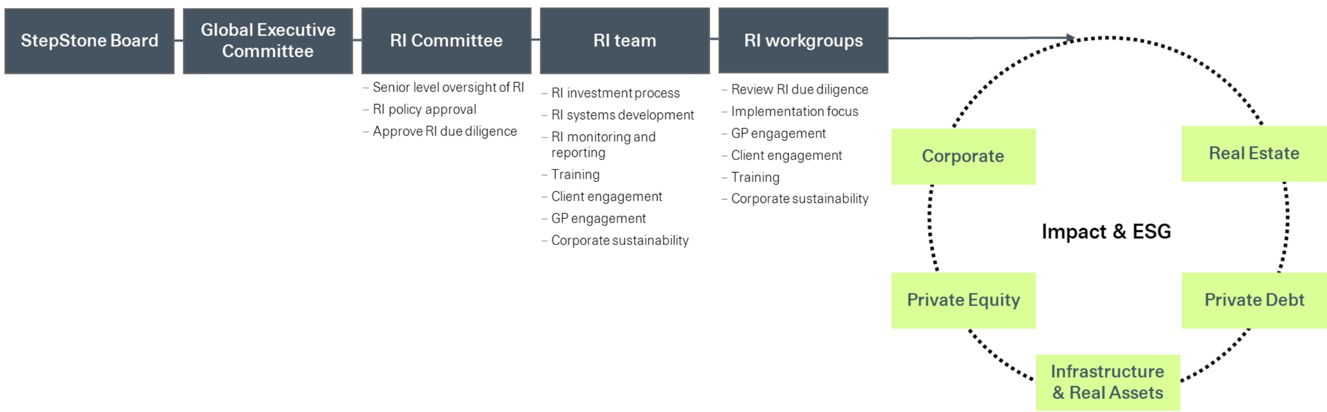

Diagram 2 – RI Governance Structure

VI.Stewardship

StepStone recognizes its responsibility to advocate, as appropriate, for greater adoption of RI practices through the ownership chain from asset owners (Limited Partners) to investment managers/general partners (GPs) and board/management teams where relevant; and across the investment holding period from due diligence through to engagement, monitoring and reporting. Furthermore, StepStone focuses, as appropriate, on engagement around specific thematic issues, such as climate change, diversity, equity and inclusion ('DEI') and human rights. We generally emphasize issues that we believe represent systemic risks to value accretion. StepStone advocates for alignment with global best practices as advocated by relevant bodies. Specifically, as appropriate, StepStone encourages GPs to adopt responsible investment policies and consider PRI membership.

StepStone seeks to support private markets participants in their ESG efforts through both one-on-one engagement as well as by serving as a positive influence. StepStone has adopted an outcome focused viewpoint in one-on-one engagements, particularly around phases of responsible investment process integration. StepStone has developed tailored materials intended for GPs to provide guidance on implementing robust responsible investment programs. We seek to share best practices around engagement efforts internally through case studies and discussions. We also share best practices across our external stakeholders (including clients and GPs) to drive increased focus on these issues. StepStone intends to work with our clients on engagement where appropriate. Further, where we deem appropriate, we seek to contribute to collaborative engagement efforts, which may include contributing to formal feedback letters or engagement with regulators and policymakers.

StepStone attends Annual General Meetings ('AGMs') and its team members hold positions, where applicable, on certain Limited Partner Advisory Committees ('LPACs') and on certain company boards of directors on behalf of our clients. StepStone seeks to actively engage in these roles to inquire about matters pertaining to RI. StepStone considers escalation approaches when engagement is challenged and works in concert with our stakeholders in this regard.

More information is available in StepStone's dedicated Stewardship Policy, which is published on StepStone's website.

VII. Early Evaluation of ESG Risks and Opportunities & Exclusions

StepStone continues to evolve its RI program towards meeting the investment objectives of clients and in line with what we believe are leading practices. Beyond abiding by applicable laws and regulations for the jurisdictions in which it operates, as well norms-based screening which includes taking into account international protocols on banned products or broader sanctions, StepStone endeavors to consider the laws which govern its clients' activities.

Furthermore, StepStone evaluates client-directed investment considerations, such as the exclusion of selected industry sectors or geographies based on a client's ESG-related priorities. StepStone also executes value-based screens on behalf of, and as directed by, clients, such as with specific religious requirements.

Across asset classes, StepStone conducts early evaluations of potential investment opportunities that present an elevated ESG risk profile, which could affect long-term value. Such investments are generally escalated early in the due diligence process through the Responsible Investment governance structure to determine how best to proceed with due diligence.

StepStone has also established processes to identify potential investment opportunities that may be aligned to certain SDGs or specific themes such as climate change or diversity, as requested by clients. This approach aids clients with outcome-based requirements.

VIII. Investment Process Implementation

While this policy is applicable globally across the Firm's activities, its implementation is tailored to each asset class and investment strategy. StepStone also recognizes business norms and standards may change over time and differ across jurisdictions, cultures and company stages, so implementation may differ as appropriate to each investment's context. StepStone factors RI considerations into its investment due diligence and decision-making. Investment memos presented to the relevant Investment Committee contain a dedicated RI section, that has been completed by the investment due diligence team, with the disclosure and analysis approved by the Responsible Investment Committee. An investment may be vetoed by the Investment Committee on RI grounds.

Post-investment, StepStone seeks engagement with GPs to advocate for and support their ESG process improvements. For example, StepStone works with GPs to advocate for the incorporation of material ESG issues into value creation plans or consideration of specific ESG reporting or ratchets in debt structures. In particular, StepStone seeks to be engaged on RI management where it has significant influence for example, a board seat in direct investments; is an LPAC member in fund investments or via SMA structures. StepStone is active in governance considerations such as LPA amendments. Furthermore, StepStone conducts an annual ESG monitoring outreach, updating our view of GPs' ESG progress, including a focus on diversity and carbon emissions. Where applicable, this is conducted in alignment with the ESG Data Convergence Initiative.

StepStone's Responsible Investment processes are summarized in the below diagram and further detail is provided in turn.

1. Early evaluation of investments	2. Due diligence / engagement with manager	3. Asset level due diligence (Co-investments / secondaries)	4. Investment memo / IC presentation
• Notify RI Committee / Workgroup of sensitive sector exposure and/or heightened ESG risks (e.g., pollution, modern slavery exposure) • Fulfil client requirements regarding exposure • Highlight historical ESG incidents	• Assessment of manager's RI policy and implementation process through operational and investment DDQs and on-sites • Consideration of GP's alignment with the PRI and/or TCFD recommendations • Review GP track record of ESG and climate integration, leveraging SASB and GRESB where appropriate	• Assessment of asset level RI considerations leveraging SASB Materiality Map • Portfolio level review – RI assessment focusing on key asset and risk drivers • Engagement with GPs on their approach to asset level ESG risk/opportunity assessment	• Incorporate findings into investment memorandum/IC presentation

5. RI committee	6. Investment committee	7. Engagement	8. Monitoring & reporting
• RI evaluation reviewed by RI workgroups • Final RI evaluation approved by RI Committee-required before moving to Investment Committee	• Discuss material ESG issues where relevant • Confirms RI due diligence satisfactorily completed	• Discussion of RI issues during regular one-on-one meetings • Sharing of RI materials and guidance notes • Targeted RI engagement to support GPs and assets (e.g., policy development, workshops, support on ESG value creation initiatives)	• Notified of critical ESG incidents • Incorporation of GP reporting into StepStone quarterly reporting • Ensure ESG issues are discussed at AGM/LPAC • Annual corporate RI reporting (encompassing ESG, DEI, climate and stewardship), in addition to PRI reporting

Primaries

For primary investments, our team utilizes our proprietary ESG Scorecard, which was developed to assess GPs' ESG programs in depth. Scoring is based on five dimensions: ESG Policy, Accountability, Investment Process, ESG Reporting and Strategy. The due diligence team awards the manager an ESG score from 1 – 4, allowing cross-manager comparison and monitoring manager progress over time. Further, our RI due diligence process includes an analysis of a manager's responses to a series of questions aligned with the PRI's Limited Partners' Responsible Investment Due Diligence Questionnaires and the TCFD framework. This includes an analysis of the manager's approach to sustainability outcomes and real-world impacts, where in line with client requirements. StepStone also requests to review the manager's existing ESG and related policies as applicable as well as any PRI Transparency Reports. This evaluation is complemented by meetings, reference calls, and legal and operational due diligence. The evaluation encompasses specific queries around risks and opportunities at an asset level with a materiality framework informed by SASB, climate change queries based on TCFD framework, a focus on DEI at both the GP and investee company level and queries on modern slavery which encompasses forced labor and human trafficking. The research team includes a summary of RI due diligence findings in the investment memo.

The Responsible Investment Committee reviews and approves the Responsible Investment due diligence findings and scorecard for each primary investment prior to final approval of the proposed investment by the relevant Investment Committee. Prior to closing, StepStone seeks to negotiate the inclusion of RI standards, in particular reporting responsibilities, into legal documentation.

Finally, for a manager that either lacks an ESG policy or is not a signatory to the PRI, StepStone seeks to engage positively with the manager by providing guidance on adopting or furthering its ESG program.

In addition to RI diligence performed across all strategies, for certain clients/vehicles, StepStone conducts an impact evaluation for impact funds and assigns managers an impact score, informed by a proprietary Impact Scorecard. The Impact Scorecard scores managers on five core areas: impact alignment, accountability structures, impact assessment processes, impact contribution approaches, and monitoring and reporting.

Secondaries

In the case of secondary investments, RI analysis is generally performed at two levels. At the GP level, StepStone assesses a GP's approach to ESG integration in due diligence, engagement, monitoring and reporting, leveraging any existing analysis completed for primary investments. At the asset level, StepStone utilizes the SASB Materiality Map to inform our analysis of material ESG risk factors. In addition, we seek to be aligned with relevant frameworks when considering risks and opportunities around climate change. Combined, we believe this approach allows us to identify key ESG risks at the portfolio level, and whether they are being driven by the GP's systematic behaviors or an asset-specific issue. The research team summarizes findings from RI due diligence in the investment deck which is reviewed and signed off by the Responsible Investment Committee prior to final approval of the proposed investment by the relevant Investment Committee.

Direct Investments & Co-investments

Similarly, for direct investments and co-investments (debt or equity), StepStone considers the main fund and/or manager ESG due diligence (where available) and upholds its research-focused approach in its review of the underlying company, borrower, project or property, to the extent such information is available. Like secondaries, for direct investments and co-investments, StepStone deal teams complete an ESG assessment at both the manager and asset levels. Deal teams generally use several tools when completing the latter, including information from the manager and company, along with SASB materiality standards, and for specific sectors, information from GRESB. While StepStone leverages diligence the manager conducts, deal teams perform additional diligence on direct investment and co-investment opportunities according to StepStone's proprietary diligence processes. Post investment, deal teams closely monitor the investment's performance, including relevant financial and ESG factors. The majority of this monitoring is conducted through regular engagement with the fund manager supplemented by LPACs where StepStone is a member. In cases where StepStone holds a board or observer seat at the asset, we seek to be active in encouraging ESG issues to be standard agenda items. Where StepStone does not hold a Board or observer or LPAC seat, we seek to conduct regular update meetings and query on ESG matters via our annual post-investment monitoring outreach.
An ESG analysis is included in the investment memorandum or presentation, approved by the Responsible Investment Committee, prior to final approval of the proposed investment by the relevant Investment Committee.

IX. Monitoring, Reporting & Transparency

In 2021, we launched our post-investment monitoring outreach to track ESG-related data at the GP, Fund, and asset level to systemically gather ESG data across our portfolio, including GHG emissions and diversity metrics. Asset level data collection is aligned to the ESG Data Convergence Initiative. StepStone leverages two proprietary data science and engineering tools (i.e., SPI Research and SPI Reporting) to help manage our Responsible Investment processes, including ESG and Impact scores, diversity metrics, ESG risk exposures, and additional ESG and impact metrics.

StepStone seeks to promote timely disclosure from managers of the occurrence of any material ESG matters affecting the funds they manage and their underlying assets, as applicable, including any incident that is a violation of the manager's stated ESG policy, if any, or any incident that the manager determines may, among other things, generate widespread public concern, reputational risk or result in material negative impact on the operations of the manager, the fund and/or its underlying assets. StepStone has a structured engagement approach with respect to critical incidents which is managed through our Responsible Investment governance structure. StepStone reports on critical ESG incidents where relevant based on information made available by GPs.

Furthermore, StepStone seeks to increase responsiveness from managers of entities in which we invest with respect to our ESG questionnaires and reporting of ESG matters, including the adoption of compliance and/or reporting obligations relating to ESG matters. The Firm also provides tailored ESG reporting to select clients as negotiated on a case-by-case basis.

As a signatory to the PRI since 2013, StepStone is committed to the annual reporting and assessment as required by the PRI. This reflects that the Firm stands accountable to the principles, abides by the drive for transparency in disclosing its ESG activities, and helps assess the implementation of its ESG program against objective indicators. StepStone's Transparency Report, a summary of its PRI reporting assessment, is publicly available on the PRI's website.

StepStone endeavors to publish a Responsible Investment Report annually, detailing ongoing initiatives and highlights on our ESG-related activities and performance across all asset classes.

X. Corporate Sustainability

StepStone is focused on incorporating relevant ESG factors across the Firm's operational decision making and internal policies. This includes but is not limited to reviewing and evolving StepStone's governance structures as the Firm grows, incorporating training and benefits targeting the retention and well-being of employees, and assessing modern slavery and human trafficking risks across our supply chain.

StepStone also has a focus on implementing measures to reduce its operational carbon footprint and specific efficiency efforts around waste, energy and water usage. StepStone has been a verified Carbon Neutral company in our own operations since 2019 and aims to remain so going forward to the extent possible. To assist us in our efforts we engaged with a third-party specialist firm to conduct a carbon footprint measurement, analysis and verification of our operations.

There are specific efforts to promote DEI, led by the Firm's DEI Committee. StepStone offers employees support and training on DEI issues and partners with external expert organizations to promote diversity within the industry.

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

XI. Reviewing and Amending the Policy

This policy should be reviewed annually by the Head of Responsible Investment and the Responsible Investment Committee and updated as necessary. The Responsible Investment Committee currently includes three members of the Board of Directors of StepStone Group Inc.