

Vance Street Management LLC
Environmental, Social and Governance Policy
Effective October 2022

Philosophy

Vance Street Management LLC and its affiliates (the “Firm”) believes that consideration of environmental, social and governance (“ESG”) issues and conventions regulating these issues is an important part of responsible fund managers’ and investors’ asset management activities. This ESG Policy sets out the Firm’s principles for achieving its commitments to responsible investing.

Purpose

The purpose of this policy is to define the Firm’s approach to integrating the consideration of ESG risks and value creation opportunities into investments made through its funds. The Firm commits to consider material ESG issues in the course of its due diligence and in the monitoring of portfolio investments to the extent reasonably practical under the circumstances, subject, in any event, to the provisions of the Confidential Private Placement Memorandums of the Firm. For the purposes of this policy, “material” ESG issues are defined as those issues that the management of the Firm in its sole discretion determines have or have the potential to have a materially direct, or substantial impact on an organization’s ability to create, preserve, or erode economic value, as well as environmental and social value for itself and its stakeholders.

Roles and Responsibilities

The Firm’s ESG Committee is responsible for defining, updating, and implementing the ESG policy and processes. The ESG Committee consists of Nic Janneck, Partner; Steve Sandbo, Partner; Jessica Boltinghouse, CFO + CCO; Natalie Yates, Head of BD + IR; and Will Robinson, Sr. Associate. These individuals set the responsible investing standards and rely on members of the investment teams to implement the assessment and measurement of key ESG metrics within the Firm and across the portfolio. The ESG Committee conducts internal reporting and training as necessary to ensure all members of the Firm and portfolio company leadership are aware of policies and procedures related to ESG.

Scope

This policy will apply to all investments considered by the Investment Committee or made by Vance Street Management LLC and its affiliates following the date hereof, and will be interpreted in accordance with local laws and regulations. In cases where Vance Street Management LLC determines it has limited ability to conduct diligence or to influence and control the integration of ESG considerations in the investment—for example, where circumstances affect the Firm’s ability to assess, set, or monitor ESG-related performance goals—it will not necessarily be feasible to implement ESG-related principles. In such instances where Vance Street Management LLC believes it to be appropriate, reasonable efforts will be made to encourage these portfolio companies to consider relevant ESG-related principles. Reasonable efforts may include, but are not limited to, communicating with the portfolio company or private equity sponsor with respect to such ESG matters.

Approach to ESG Integration in Investments

Vance Street Management LLC will seek to integrate the consideration and thoughtful management of ESG issues throughout the investment cycle.

Pre-investment: To ensure the integration of ESG considerations in the pre-investment phase of investments, and subject to Vance Street Management LLC's determination of what is reasonable and appropriate for each investment, Vance Street Management LLC will undertake ESG due diligence. As deemed necessary by the Firm, the Firm may involve third party subject matter experts with ESG-related competence to conduct an assessment of ESG value creation opportunities or risks for potential investments considered through the Investment Committee process. When material ESG issues are identified, they may be included in discussions with the applicable Investment Committee, and external advisers or consultants may be engaged to carry out additional ESG-related due diligence as needed.

Ownership phase: The Firm is implementing an onboarding process in tandem with the Firm's standard onboarding, partnering with the CFO or ESG designee to create a sustainable plan for ongoing ESG data collection and to develop a plan to remedy any ESG risks identified in diligence, subject to Vance Street Management LLC's determination of what is reasonable and appropriate.

Vance Street Management LLC encourages the management teams of portfolio companies to identify and raise material ESG issues to the relevant decision-makers, including, where appropriate, board-level individuals.

ESG Principles

In developing this ESG Policy, the Firm has considered a number of international standards, including the United Nations Principles for Responsible Investment, the CDC Code of Responsible Investing (UK) and the Private Equity Growth Capital Council Guidelines for Responsible Investment (US). The Firm seeks to adhere to the following principles, as outlined by the United Nations Principles for Responsible Investment ("Principles"), when making portfolio investments on behalf of its managed investment funds:

- Incorporate ESG issues into investment analysis and decision-making processes.
- Be active owners and incorporate ESG issues into our ownership policies and practices.
- Seek appropriate disclosure on ESG issues by the entities in which we invest.
- Promote acceptance and implementation of the Principles within the investment industry.
- Work together to enhance our effectiveness in implementing the Principles.
- Report on our activities and progress towards implementing the Principles.

Excluded Activities

The Firm's investment funds shall not invest in any portfolio company which directly engages in the following activities:

- Production of, or trade in, any product or activity deemed illegal under applicable local or national laws or regulations;
- Production, sale or distribution of weapons, armaments or ammunition;
- Coal-based activities, including, but not limited to, coal extraction and/or coal power generation and/or electricity via a coal powered plant and/or coal mining;

- Production of, or trade in, unbonded asbestos fibers;
- Production of, or trade in, radioactive materials;
- Production, sale or distribution of tobacco or tobacco related products (including vapes and e-cigarettes);
- Production, sale or distribution of cannabis or cannabis-derived products;
- Production, sale or distribution of beer, wine or spirits;
- Internet gambling;
- Prostitution or procuring prostitutes; or
- Pornography.

In addition to a sector-specific exclusionary approach, ESG factors are considered in the pre-screening process for each investment opportunity, and the investment teams pass on those investment opportunities deemed “high risk”.

ESG Procedures

The Firm shall place the management and oversight of ESG reporting with the Firm’s ESG Committee, who shall have primary responsibility for oversight of this policy. The ESG Committee will ensure that such actions are taken to implement the principles above as may be relevant and practicable, taking into account the nature of the subject company’s business, the nature of the investment process, the degree of control that the Firm has over the company and the process, and the applicable fund’s best interests. The ESG Committee will also ensure that this ESG Policy is distributed to all employees on an annual basis, and that training is provided, as applicable and deemed appropriate.

Reporting Requirements

The Firm takes seriously its commitment to ESG, and to carrying out the procedures outlined by this ESG Policy, at all times as part of ensuring the Firm is fulfilling its fiduciary duty.

The Firm undertakes three (3) reporting requirements as part of this policy:

1. Investment Due Diligence
 - a. As part of the Firm’s investment due diligence procedures, all potential portfolio investments are reviewed for alignment with the Firm’s ESG principals as well as with the Firm’s Excluded Activities. This will be documented in the respective opportunities’ memo and risk matrix.
2. Annual Reporting
 - a. The Firm undertakes an annual review process to determine the efficacy and ongoing relevancy of its ESG principals and Excluded Activities.
 - b. The Firm will report to the LPAC any controversy or issue relating to an ESG Risk that is reasonably likely to have a material negative impact on operations or reputation as soon as practicable after becoming aware of such ESG Incident.
3. Ad Hoc Reporting

- a. The Firm commits to report to the LPAC any controversy or issue relating to an ESG Risk that is reasonably likely to have a material negative impact on operations or reputation as soon as practicable after becoming aware of such ESG Incident.
- b. From time to time, the Firm may provide ESG-reporting to investors on an as-requested basis.

Other Considerations

The Firm values and celebrates the many perspectives that arise from a variety of cultures, genders, religions, national origins, ages, abilities, socioeconomic status and sexual orientation. Our commitment to Diversity, Equity and Inclusion (DEI) ensures that the Firm and our portfolio companies attract, grow, and promote top talent from all backgrounds.

Employees of the Firm and our portfolio companies are encouraged to find causes and organizations to support together in our commitment to improve the lives and livelihood of individuals and families in our community and beyond.