

SUSTAINABILITY REPORT 2024

Northleaf



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INTRODUCTION

MESSAGE FROM OUR RESPONSIBLE INVESTMENT COMMITTEE

We are excited to share our 2024 Sustainability Report, which provides an update on the progress we have made over the past year in advancing Northleaf’s sustainability program.

Northleaf’s sustainability program remains grounded in the twin pillars of responsible investment and responsible corporate citizenship. We have always believed that responsible investing – including the consideration of environmental, social and governance (ESG) – serves to mitigate risks and unlock opportunities, thereby driving long-term value for investors. Northleaf strives to be a responsible corporate citizen, positively impacting investors, investment partners, employees and the communities where we invest and operate.

2024 was a year of evolution, underscored by key milestones that have both strengthened Northleaf’s responsible investment practices and laid a strong foundation for future growth. We remain committed to delivering long-term value and contributing to a more sustainable, efficient, equitable and inclusive future for all stakeholders.



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PRIVATE EQUITY



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Michelle Winters
PRIVATE CREDIT

MESSAGE FROM OUR RESPONSIBLE INVESTMENT COMMITTEE

This year, we reaffirmed our commitment to responsible investment through:

- › **The formation of Northleaf’s Responsible Investment Team:** One of our most significant steps this year was the creation of a dedicated Responsible Investment Team. The team is focused on embedding responsible investment practices across our portfolios, and coordinating across our asset classes to ensure investment decisions reflect our commitment to responsible investing and long-term value creation. The team also brings a responsible investment lens to the evolution of Northleaf’s corporate strategy and ambition, investor engagement, the creation of data capabilities to support investment analysis, ongoing firm-wide training and professional development, investor and external reporting, and regulatory compliance processes and frameworks.
- › **Refreshing Northleaf’s Sustainability Ambition Statement:** In line with our evolving strategy, we introduced a new sustainability ambition statement, reflecting our continued commitment to responsible investing and corporate citizenship. The statement underscores our focus not only on compliance, risk mitigation and value creation but also on opportunities to make a meaningful and lasting difference in the communities in which we operate.
- › **Reinforcing our responsible investment practices with the development of an internal resource guide:** We are proud to have developed and launched a comprehensive Framework for Responsible Investment, which serves as the cornerstone for Northleaf’s implementation of responsible investment practices and activities. This framework provides clear process-level detail to all members of the firm for integrating responsible investment considerations into our investment due diligence and decision-making processes.
- › **Developing and implementing an enhanced approach to ESG risk assessments across our Private Equity and Private Credit investment programs:** This enhanced approach ensures additional rigour in assessing material ESG risks that are most relevant to particular sectors and industries.
- › **Ongoing employee training and engagement:** We expanded our employee training to provide specific guidance on enhanced ESG-related due diligence approaches and other sessions on responsible investment.

We are excited about the future and remain resolute in our commitment to responsible investing and corporate citizenship. We look forward to engaging with our investors, our investment partners, colleagues and other industry stakeholders to ensure that our efforts align with industry expectations and broader global needs. We welcome any questions you may have and encourage discussion of the contents of this report.

\$28B

Capital Raised¹

300+

Institutional Investors & Family Offices Served

275+

Professionals

10

Offices

NORTHLEAF CAPITAL PARTNERS AT A GLANCE

Rigorously selective. Responsibly opportunistic.

Northleaf Capital Partners is a global private markets investment firm focused on providing our investors with differentiated access to mid-market companies and assets.

With \$28 billion in capital commitments raised to date, Northleaf has an established, long-term track record as an investor in private equity, private credit and infrastructure.

We are proud to serve more than 300 institutional investors and family offices globally.

Investors have entrusted capital across our integrated platform through both closed-end and open-end structures across a series of pooled fund solutions and custom mandates, which are managed by our experienced team of mid-market specialists with an extensive global network.

Our team of more than 275 professionals, located in ten offices in North America, the U.K., Asia and Australia, is

focused exclusively on sourcing, evaluating and managing private markets investments on behalf of investors.

Our diversified mid-market private markets programs provide innovative solutions to investors seeking attractive, risk-adjusted returns.

We believe that responsible corporate behaviour will have a positive influence on long-term financial performance and are committed to incorporating ESG considerations into our investment processes at every level.

1. Represents capital commitments raised to December 31, 2024. Figures in USD.

PRIVATE EQUITY

\$14B

Commitments Raised¹

600+

Primary, Secondary and Direct Investments Globally

Access to value creation in mid-market companies globally through secondaries, direct investments and primary fund investments.

Seeks to deliver strong absolute/risk-adjusted returns with broad diversification and downside management.

PRIVATE CREDIT

\$6.5B

Commitments Raised¹

90+

Active Investments Globally

Lending solutions to mid-market companies across corporate direct lending and asset-based specialty finance.

Seeks to provide consistent income and attractive floating rate returns.

INFRASTRUCTURE

\$7.5B

Commitments Raised¹

37

Investments Since Inception

Direct investments in essential, mid-market infrastructure assets predominately in North America.

Seeks to create value and provide attractive returns by growing and/or de-risking inflation-linked assets with resilient cash flows.

1. Represents capital commitments raised to December 31, 2024. Figures in USD.

MISSION STATEMENT

Northleaf’s approach to Responsible Investment is rooted in our Mission Statement.

We are committed to building enduring relationships with our investors, investment partners and colleagues based on trust, openness, respect and the highest standards of integrity and professionalism.



We will be the private markets partner of choice for our investors by:

- › Seeking to generate superior, long-term investment returns
- › Ensuring that our interests are aligned with theirs
- › Working collaboratively and openly to exceed expectations through best-in-class private markets solutions, investor reporting and client service

We will be a preferred investment partner by:

- › Employing a professional, fact-based investment approach grounded in a deep understanding of private markets
- › Being a trusted, collaborative, long-term partner
- › Providing a global investment perspective informed by our long and successful history of private markets investing

We will attract, develop and retain exceptional professionals by:

- › Providing and reinforcing a one-team culture that is both supportive and challenging
- › Ensuring that our interactions are founded on honesty and mutual respect
- › Expecting, recognizing and celebrating excellence in everything we do
- › Supporting the professional, community and personal development efforts of every team member

SUSTAINABILITY AMBITION STATEMENT

Over the course of 2024, we held firm-wide workshops aimed at refreshing and aligning on an updated Northleaf Sustainability Ambition Statement:

Effective management of sustainability-related factors leads to the generation of superior, long-term investment returns for our investors and allows us to build enduring trust-based relationships with our investors, investment partners and colleagues.

Our approach to sustainability is built upon the twin pillars of responsible investment and corporate citizenship. Our approach to responsible investment is rooted in our belief that the consideration of ESG factors facilitates the mitigation of risks and unlocks opportunities on behalf of our investors thereby enhancing long-term value creation. Across our business activities, Northleaf aspires to be a responsible corporate citizen and continuously seeks to have a positive impact on our employees and the communities in which we invest and operate. We believe a strong corporate citizenship agenda enhances employee retention, our license to operate in the markets in which we are active and our overall brand.

Northleaf is committed to continuously improving our responsible investment practices by adopting, developing and implementing best-in-class responsible investment tools, processes and frameworks. We integrate ESG considerations across the due diligence, execution and ongoing monitoring of investments. Where possible, we engage with our portfolio investments and investment partners on responsible investment and corporate citizenship matters. Northleaf’s approach to responsible investment is tailored and acknowledges the varying degrees of influence we exercise across each of the asset classes in which we invest, the investment strategies we pursue and the funds and mandates we manage.

Our corporate citizenship agenda relies upon a broad set of tools and activities, including Northleaf’s diversity, equity and inclusion (DEI) program, employee engagement campaigns, charitable support and greenhouse gas footprinting. We continue to evolve our practices in line with what is important to our employees and communities, as well as evolving market frameworks and practice.

Northleaf’s approach to sustainability is continually evolving, as we gather data, develop tools and build internal processes to further our commitments to responsible investment and corporate citizenship. We will continue to communicate our progress through our regular reporting.

We recognize the importance of using clear and consistent language to define, implement and communicate our sustainability program. On this basis, Northleaf defines key terms as follows:



Sustainability: sustainability at Northleaf consists of two pillars of responsible investment and corporate citizenship.



Responsible Investment: the integration of environmental, social and governance considerations into the investment process.



ESG: environmental, social and governance factors or considerations, including climate-related factors, that may have a positive or negative impact (individually or in combination) on the risk-return profile of investments.



Corporate Citizenship: the consideration of how Northleaf’s business activities have an impact on our investors, investment partners, employees and the communities in which we invest and operate.

SUSTAINABILITY AT NORTHLEAF

NORTHLEAF’S SUSTAINABILITY JOURNEY

Sustainability has been a longstanding tenet at Northleaf.

Northleaf is committed to sustainability and our journey continues to evolve.



1. World-Check One is Northleaf’s current provider; however, Northleaf has engaged several providers of this screening tool since 2010.

SUSTAINABILITY GOVERNANCE AT NORTHLEAF

Northleaf integrates responsible investment principles into its governance and management structures. Northleaf’s Board of Directors fully supports and reviews our responsible investment approach at least quarterly to ensure its alignment with the firm’s values.

As Northleaf continues to grow its investment programs, we have designed a governance framework that supports scalability, adapting to our expanding global footprint, diverse teams, and growing employee base. This approach enables efficient decision-making, with clear authority, accountability and clarity across the firm on how and where decisions are made.



To improve leadership efficiency, we’ve streamlined our decision-making process by way of the Executive Committee, which has a clear mandate and optimized meeting structure. The Executive Committee is made up of senior leaders across the firm, including Northleaf’s Managing Partner, corporate group heads and the heads of our three investment programs.

Our governance model is rooted in collaboration between the Executive Committee and several key standing committees. The Executive Committee sets the overarching strategy and delegates specific responsibilities to the standing committees, such as the Responsible Investment, Enterprise Risk Oversight and Diversity, Equity and Inclusion committees. These committees regularly report on their activities, and major decisions are reviewed and ratified by the Executive Committee.

Sustainability Governance

Northleaf’s Responsible Investment Committee leads the firm’s responsible investment and corporate citizenship initiatives. The Responsible Investment Committee monitors alignment with market standards and uses an internal dashboard to ensure corporate compliance with key ESG considerations, reporting quarterly to the Executive Committee and the Board of Directors. The Responsible Investment Committee is directly accountable to the Executive Committee.

The Responsible Investment Committee, chaired by Jeff Pentland, a member of the Executive Committee and Investment Committees for each asset class, includes senior investment professionals from across Northleaf as well as representation from the Legal, Marketing and Communications, and Responsible Investment teams. Select members oversee asset-class-specific Responsible Investment Sub-Committees, ensuring that each asset class team adheres to tailored responsible investment policies and practices.

The Investment Team for each asset class is responsible for assessing responsible investment and climate-related

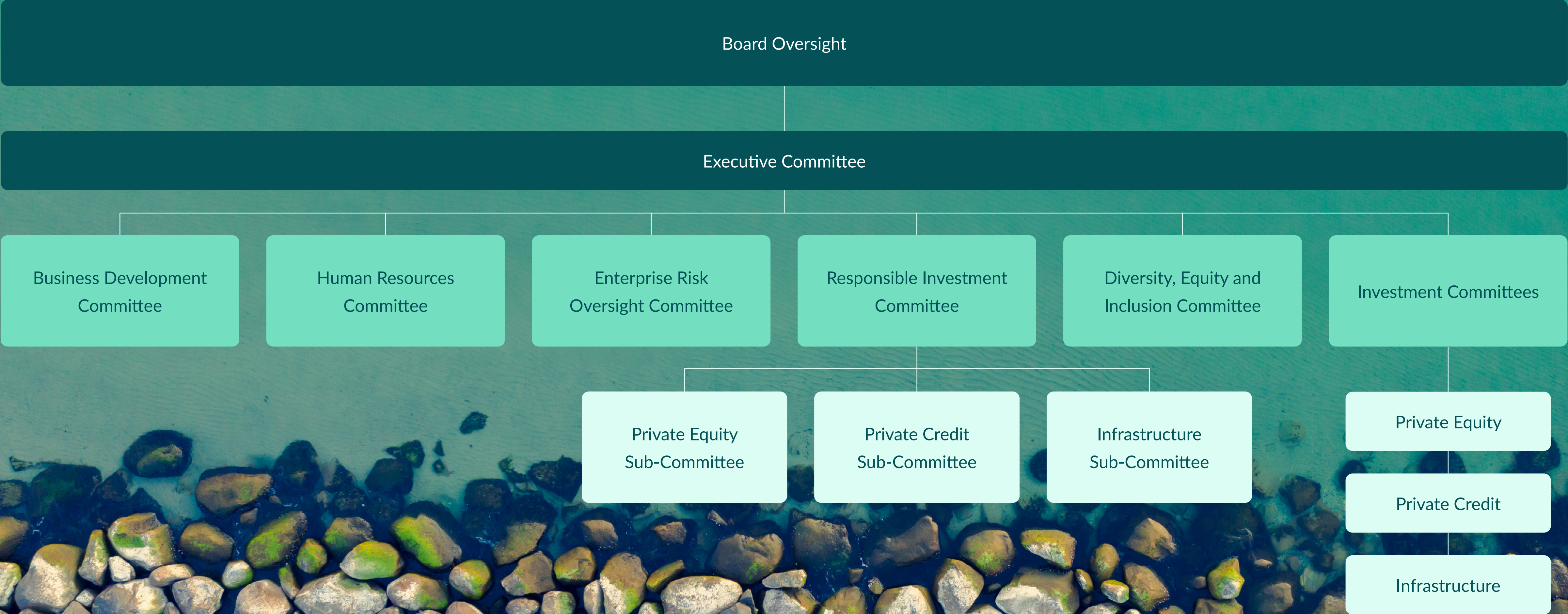
considerations during all phases of the investment process, with the Investment Committee ultimately responsible for ensuring that Northleaf’s responsible investment standards are upheld across all mandates.

This robust governance structure enables Northleaf to remain at the forefront of responsible investment, fostering a culture of sustainability at every level of the organization.

Responsible Investment Team

Northleaf’s Responsible Investment Team, led by Maxim Olliver (Responsible Investment lead and Responsible Investment Committee Manager), coordinates across all asset classes to provide guidance to the investment teams and to identify opportunities to further embed responsible investment principles, strategies, frameworks and tools into Northleaf’s investment processes. The Responsible Investment Team is also charged with supporting, from a responsible investment perspective, corporate strategy and ambition, investor engagement, data capabilities to support investment analysis, developing training, investor and external reporting, and regulation compliance.

SUSTAINABILITY GOVERNANCE AT NORTHLEAF



CORPORATE GOVERNANCE AT NORTHLEAF

Cyber Security

Northleaf is acutely aware of the increasingly sophisticated cyber threat landscape and is committed to safeguarding our operations and the information assets of our stakeholders. We have a documented cyber security policy and incident response plan that we methodically update and test on a regular basis. This ensures that we can effectively and efficiently identify and protect our assets while responding swiftly to any cyber incidents.

Our commitment to security is reinforced by fostering a strong security awareness culture through mandatory training and attestation. In 2024, we increased our simulated phishing test frequency by 33%, while achieving a 50% reduction in what were already low failure rates.

Northleaf leverages best practice automation to combat cyber threats, including managed detection, geo-fencing blocking from sensitive locations and behaviour anomaly-driven responses. After initial screening and quarantining by Northleaf’s email service provider, our AI algorithm-based tool withholds potentially malicious emails for further screening.

Enterprise Risk Management

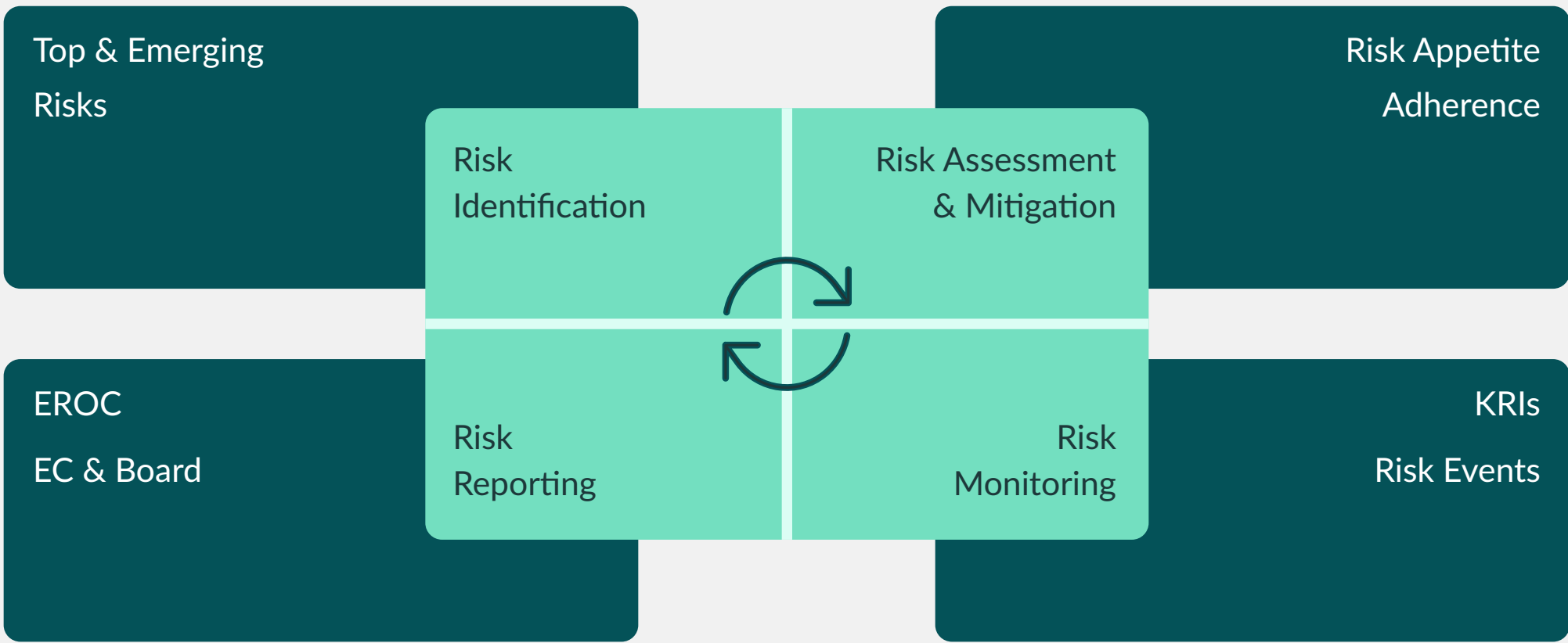
In alignment with Northleaf’s commitment to responsible corporate conduct and robust governance, we are diligently advancing our Enterprise Risk Management (ERM) Framework for non-investment risks. Northleaf’s ERM Framework seeks to ensure that our strategic initiatives and operations are harmonized to foster accountability, resilience, and innovation, while simultaneously enabling sustainable long-term value creation for our investors. The evolution of ERM is spearheaded by a dedicated and seasoned risk professional, who reports directly to Northleaf’s Chief Financial Officer and Chief Operating Officer (CFO & COO) and is supported by the Enterprise Risk Oversight Committee (EROC), a sub-committee of the Executive Committee.

The EROC is chaired by a Managing Director, Legal, and comprises senior members across the firm, including the CFO & COO, and leaders from corporate, investor relations and the investment teams. The EROC receives regular insights and recommendations on the firm’s current and emerging risks, including, but not limited to, important ESG-related topics such as ethical business conduct, anti-corruption commitments, corporate governance, data privacy and information security and responsible use of AI technology, and provides periodic updates to the Executive Committee.

Employees have attended training sessions to understand Northleaf’s ERM Framework, including:

- › How Northleaf’s ERM program operates.
- › The firm’s Risk Appetite Statement.
- › The importance of ensuring continuous improvement at Northleaf when incidents / risk events occur.
- › How to contribute to Northleaf’s risk awareness by sharing insights on current and emerging risks.

Enterprise Risk Management Framework



Framework supported by:

- › Standard taxonomy
- › Risk owners
- › Risk reports
- › Governance
- › Risk policies
- › Impact and likelihood scales
- › Control assessment criteria

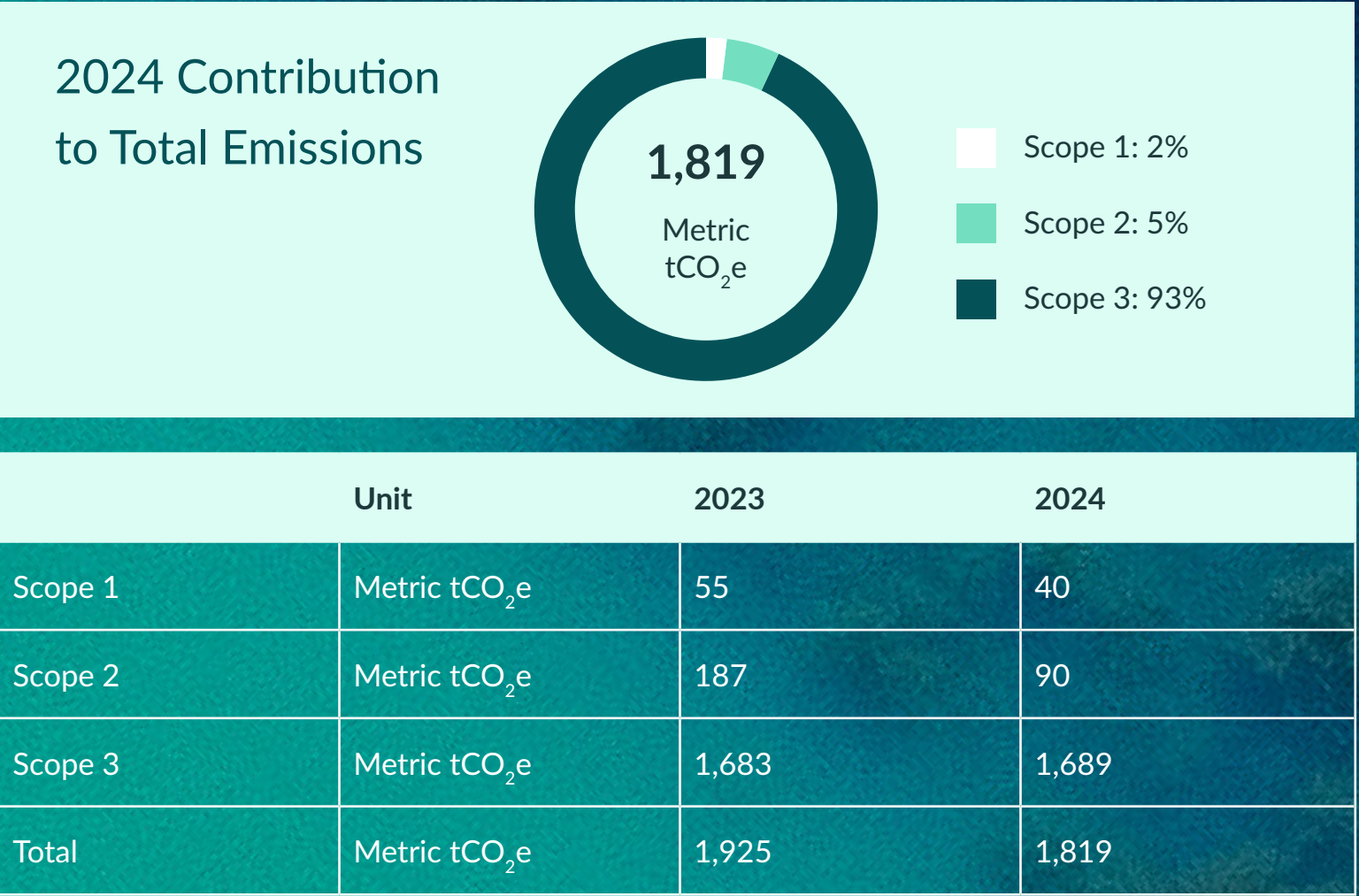
CORPORATE EMISSIONS

As part of Northleaf’s ongoing commitment to sustainability, we continue to strengthen the accuracy and comprehensiveness of our corporate greenhouse gas (GHG) emissions inventory. As a result of collecting actual data (as opposed to relying on estimates) for more of our office locations and relocating our Toronto head office to a more energy-efficient building, we have reduced Northleaf’s reported operational emissions by 6% year-over-year.

Our direct and indirect operational emissions (Scope 1 and 2) remain primarily driven by the energy used to operate our offices, where we have financial control. Our Scope 3 emissions calculation includes business travel (air, car and rail)

and our office spaces where we do not have direct control over utilities and energy usage. We are actively working on an initiative to calculate financed emissions (Scope 3, Category 15) for specific controlled assets, acknowledging the significant impact of financed emissions, a major contributor to our total emissions.

Looking ahead, we are committed to further streamlining our data collection processes and expanding the scope of our emissions coverage. We anticipate that this information will enable us to set more informed targets and align with evolving industry standards as we continue to progress in our sustainability journey.



NOTES

Emissions were calculated using The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition). Emissions calculations apply a financial control approach. Emissions reported are for the period from January 1 to December 31, 2024. Where data was unavailable, estimates have been used. Under the financial control approach, we are categorizing our emissions from capital leases (offices space) in Scope 1 and 2, and our shared office spaces in Scope 3.

Scope 1

Direct GHG emissions: Direct GHG emissions occur from sources where Northleaf has capital leases. This includes natural gas consumed in office spaces.

Scope 2

Indirect GHG emissions: Indirect GHG emissions are those associated with the purchase of electricity, steam, heat or cooling. Scope 2 emissions include electricity and district energy for office spaces where Northleaf has capital leases. Scope 2 emissions are calculated using a market-based approach.

Scope 3

Other indirect GHG emissions: Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. Northleaf’s Scope 3 emissions include category 6 (business travel) for air, car and train travel and category 8 (upstream leased assets) for space where Northleaf does not have financial control (such as shared office space). As per Northleaf’s employee expense policy, flights under four hours in duration have been calculated using emission factors for economy class airfare and flights four hours or longer in duration have been calculated using emission factors for business class airfare.

WORKPLACE SPOTLIGHT – TORONTO HEAD OFFICE

In June 2024, Northleaf’s head office in Toronto relocated to a new building designed with environmental and social responsibility in mind. This modern, eco-friendly workspace reflects our values, fostering an inclusive and thoughtful atmosphere.

Key sustainable features of the new office include:

Zero Carbon and LEED Platinum Certified Building

The new office is located in a Zero Carbon certified building that has achieved LEED (Leadership in Energy and Environmental Design) Platinum certification. With features such as LED motion-activated lighting, a green roof, high-performance chillers, automated controls for thermal storage tanks to offset cooling during peak hours and a building automation system, the office maximizes efficiency to reduce energy consumption and optimize energy savings.

Sustainable Office Supplies and Equipment

As part of our ongoing efforts to reduce waste, we are replacing printers at the end of their life with printers that use drum-free technology, significantly lowering waste. Additionally, we have eliminated single-use cutlery and dishes and replaced water bottles with built-in water filter taps throughout the office.

Indigenous Art Inspired by Nature

The new office also features artwork from Indigenous artists. Each piece has been chosen to reflect themes of nature or tranquility and being, symbolizing the calmness and serenity found in nature. By showcasing these works, we aim to honour Indigenous culture and the deep connection to the land that inspires the artists.

Wellness Spaces

We have incorporated a multi-functional wellness room on each floor of the new office to cater to the diverse needs of our employees. These spaces are thoughtfully designed and fully equipped to support activities such as nursing, rest, prayer and other personal needs.



CORPORATE CITIZENSHIP

DIVERSITY, EQUITY AND INCLUSION

Based on our fundamental belief that diverse teams make better decisions, we are committed to our diversity, equity and inclusion strategy and are proud of the culture we continue to foster.

At Northleaf, we have always believed that a diverse team strengthens our firm, enhances our investment decisions and benefits our investors and investment partners. Diversity brings valuable perspectives that drive better investment decision-making and contribute to long-term financial performance. We are committed to fostering a diverse, equitable and inclusive culture at Northleaf to ensure we continue delivering strong positive outcomes for our investors.

Led by our Diversity, Equity and Inclusion (DEI) Committee, Northleaf is committed to incorporating and advancing DEI

principles and values throughout our business operations. We continued to progress a comprehensive program of initiatives in 2024.

Northleaf’s commitment to DEI is rooted in our mission, embedded in our DEI policy, advanced by our DEI strategy, and overseen by our DEI Committee. For more information on Northleaf’s DEI program and strategy, please see our DEI Report on our website.

Our long-term DEI strategy is aligned with our Mission Statement and anchored on three key pillars:



Attracting, developing, retaining and advancing a diverse group of exceptional professionals

Build and maintain a diverse team to generate positive investment outcomes for our investors

Partner and collaborate with business leaders and Human Resources on embedding DEI practices into talent strategy and initiatives



Nurturing a respectful and inclusive culture

Foster a culture of inclusive leadership

Embed a DEI lens into our processes and procedures

Expand DEI awareness, capabilities and behaviours



Supporting industry and community initiatives advancing DEI

Progress DEI in the private markets industry

Pursue partnerships that enhance our DEI strategy and align with our goals

PARTNERSHIPS TO ADVANCE DEI

Northleaf is committed to DEI in the private markets industry and provides sponsorship and support to a number of industry associations and initiatives:



Northleaf is a signatory to the Institutional Limited Partner Association (ILPA) Diversity in Action Initiative. ILPA's Diversity in Action framework includes a broad range of actions spanning talent management, investment management and industry engagement.



Northleaf is a supporter and founding member of the Toronto chapter of Out Investors, a global network of LGBTQ+ investment professionals and allied firms with the core mission of making the direct investing industry more welcoming and inclusive.



Northleaf team members are engaged with PEWIN, a network of senior women in private equity, united to drive change in the industry.

Northleaf also remains actively involved on the Canadian Venture Capital and Private Equity Association's Diversity & Inclusion Committee.



Northleaf is a multi-year champion sponsor of the Black Innovation Programs at The DMZ, supporting programs that provide start-ups led by Black entrepreneurs with the assistance and backing of a top university-based incubator network. Northleaf has pledged a five-year commitment.



Northleaf continued our support of Our Children's Medicine (OCM) and The Gord Downie & Chanie Wenjack Fund (DWF).

OCM works to connect Indigenous job seekers with employment opportunities nationwide.

DWF works to improve the lives of Indigenous people by building awareness, education and connections between all peoples in Canada.



Northleaf continued its support as a multi-year donor to Girls E-Mentorship, a charitable organization that provides a mentorship program for high school girls facing socioeconomic barriers to build their professional skills and achieve their academic and career potential.

Northleaf is also a supporter of Young Urban Art Foundation, a charitable organization with a mission to empower the lives of young people by strengthening well-being and building opportunities through creativity and culture.

CORPORATE SOCIAL RESPONSIBILITY
& CHARITABLE GIVING

Northleaf is committed to giving back to the communities where we operate, live and invest.

For the holiday season, Northleaf made charitable donations to support local food banks in each of the ten communities where we work and live.



TORONTO



SEOUL



LOS ANGELES



LONDON



MELBOURNE



MENLO PARK



MONTREAL



NEW YORK

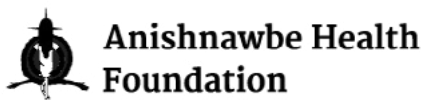


JAPAN



CHICAGO

Northleaf empowers team members to give back in ways that are meaningful to them and supports employee giving through a charitable donation matching program. Through this program, Northleaf contributed more than \$45,000 to match employee charitable donations in 2024. Additionally, the Northleaf team continued to support a number of charitable organizations and initiatives in 2024, including:



RESPONSIBLE INVESTMENT



APPROACH TO RESPONSIBLE INVESTMENT

At Northleaf, we believe that investment success is linked to the health and sustainability of the communities and environments in which we operate, and that good governance remains a core tenet of private markets investments.

As responsible stewards of our investors’ capital, we aim to create value that benefits both our investors and the communities in which we operate. Our commitment to responsible investment ensures that we maintain a strong alignment of interests with both our investors and investment partners.

Sustainability Policies

Northleaf’s Responsible Investment (RI) Policy has been developed with reference to leading global frameworks and guidelines. These include those from the Principles for Responsible Investment (PRI), the Institutional Limited Partners Association (ILPA) and the Division for Sustainable Development Goals (DSDG) within the United Nations Department of Economic and Social Affairs (UN DESA). Our policy is also aligned with other key international standards such as the Ten Principles of the United Nations Global Compact, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises (including the Responsible Business Conduct for Institutional Investors).

In addition to the overarching RI Policy, Northleaf has implemented several supplementary policies that address specific issues. Notably, our Controversial Weapons Policy and Responsible Contractor Policy provide additional layers of guidance to ensure responsible and ethical practices in our investments and operations.

Framework for Responsible Investment

The implementation of Northleaf’s Responsible Investment Policy is documented in our Framework for Responsible Investment. This framework outlines our approach, tools and processes for integrating ESG considerations across various asset classes and investment strategies. It ensures that our approach is consistent and comprehensive, providing clear guidance on how we apply responsible investment principles in our day-to-day activities.

Tailored Approach Across Asset Classes and Strategies

We recognize that our influence and approach to responsible investment vary across different asset classes and strategies. As such, Northleaf integrates ESG considerations in a tailored manner, taking into account the specific nature of each investment, fund and mandate. This flexible approach allows us to make meaningful and context-specific decisions that align with our responsible investment goals.

Pillars of Northleaf’s Framework for Responsible Investment



Top-Down Strategy

Defines the strategy, governance and Northleaf’s approach to Responsible Investment at a corporate and asset class level. The strategy is supported by commitments to specific initiatives (e.g., PRI, EDCI) as well as standalone commitments.

Investment Process

Outlines all processes, data and tools required to integrate responsible investment at an asset class level across the investment lifecycle. This pillar also encompasses metrics and targets tracked across investments.

Enablers

Showcases firm-wide activities to keep Northleaf teams and external stakeholders up-to-date on our sustainability-related initiatives.

INTEGRATION ACROSS THE INVESTMENT PROCESS

Northleaf believes the consideration of ESG factors facilitates the mitigation of risks and unlocks opportunities thereby enhancing long-term value creation on behalf of our investors.

Northleaf’s asset classes and investment strategies have unique characteristics, and therefore the approach to ESG integration will vary depending on the level of influence or control, data availability, ownership structure and investment strategy.

As defined in our Framework for Responsible Investment, we apply a range of ESG integration activities across strategies considering the applicability and relevance of each action.

The Investment Committee for each asset class is responsible for ensuring the consideration of ESG factors during the investment process.

Investment Process Step	ESG Integration Activity	Strategy						
		Private Equity			Private Credit		Infrastructure	
		Direct & Secondary Direct	Secondary: GP-led	Secondary: LP-led	Primary	Direct Lending	Asset Based Speciality Finance	Direct
Screening & Exclusions	Controversial Weapons exclusionary policy							
	Initial ESG screen to exclude investments with high ESG risks							
Due Diligence	Assessment of company-level ESG risks and opportunities							
	Assessment of material climate risks leveraging third party tool							
	Assessment of Sustainable Outcomes (in line with the UN SDGs ¹)							
	Assessment of GP's ESG capabilities							
Investment Decision	Investment Committee review							
Stewardship, Asset Management & Monitoring	Third party ESG and controversy monitoring							
	GP engagement on material ESG issues/opportunities							
	Ongoing portfolio company/asset engagement on material ESG issues/opportunities							
	Material ESG issues/opportunities discussed in quarterly asset review process							

Activity performed Activity performed when relevant

1. United Nations Sustainable Development Goals.

RESPONSIBLE INVESTMENT COMMITMENTS AND TOOLS

To further enhance Northleaf’s integrated approach to responsible investment, we remain active participants in industry initiatives and incorporate a variety of tools into our investment processes.

As a signatory to the Principles for Responsible Investment (PRI) since 2016, Northleaf is committed to upholding the values of PRI and applying its principles across all our investment activities firm wide. The Principles provide an industry-wide standard against which we can continue to assess ourselves and strive for best-in-class due diligence, investment monitoring and investor reporting.


In 2022, Northleaf became a member of the Institutional Limited Partner Association (ILPA)-sponsored ESG Data Convergence Initiative (EDCI), which is working towards the goal of standardizing ESG metrics. The EDCI is a partnership

of private equity stakeholders committed to streamlining the private investment industry’s approach to collecting and reporting ESG data. As a signatory to the EDCI, our infrastructure program has submitted asset-level data to the initiative, with the aim of increasing the level of data collected and submitted year-over-year.


In 2024, to complement the various responsible investment tools and resources used during due diligence, Northleaf implemented a proprietary, enhanced ESG risk scoring framework. An overview of this framework can be found on the next page.

Industry Initiatives and Frameworks


Signatory of:




Principles for Responsible Investment



ESG Data Convergence Initiative



INSTITUTIONAL LIMITED PARTNERS ASSOCIATION



SASB STANDARDS
Now part of IFRS Foundation

Investment Process Step	ESG Integration Activity	Responsible Investment Tools and Resources				
		Proprietary ESG Risk Scoring Framework	RepRisk	S&P Global's Climonomics Tool	UN Sustainable Development Goals (UN SDG)	Engagement with Investment Partners
Due Diligence	Assessment of company-level ESG risks and opportunities					
	Assessment of material climate risks leveraging third party tool					
	Assessment of Sustainable Outcomes (in line with the UN SDGs)					
	Assessment of GP's ESG capabilities					
Stewardship, Asset Management & Monitoring	Third party ESG and controversy monitoring					

TOOL SPOTLIGHT – ESG RISK SCORING FRAMEWORK

To supplement Northleaf’s responsible investment toolkit, we have developed a proprietary scoring framework to assess ESG risks at a company level in our private credit and private equity investment programs.¹

This framework builds upon the existing company-level assessments, introducing guidance, criteria and processes to enhance the information presented to the Investment Committee for each investment opportunity reviewed. The framework guides the investment teams through three components of the enhanced assessment:

1. Identification of Industry-Specific ESG-Related Topics

In alignment with the Sustainability Accounting Standards Board (SASB) materiality finder, material ESG-related topics are identified based on the company’s industry.

2. Assessment of Material ESG Risks

Material ESG risks are evaluated using Northleaf’s proprietary scoring framework. Each risk is scored between 1 (very low) and 5 (very high) based on assessments of the risk magnitude and likelihood of occurrence allowing for a comprehensive understanding of the most significant risks facing the company and the broader industry. The assessment is supported by guidance questions and criteria to support the assigning of ratings.

3. Execution of Follow-Up Actions

Based on the resulting score of the assessment, a range of follow-up actions are executed by the investment team. These actions include discussions within the Investment Committee, evaluation of potential mitigation strategies, and, in certain cases, the decision to decline investments where severe risks cannot be sufficiently mitigated.

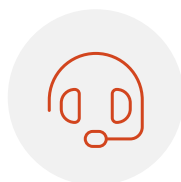
To ensure the success and effective integration of the enhanced ESG risk assessment framework, the Responsible Investment Team provides the investment teams with:



Training and working sessions: delivered to the investment teams to enhance understanding of ESG risks and opportunities.



An ESG risk assessment handbook: made available as a reference guide to provide the investment teams with clear frameworks and industry best practices for evaluating ESG factors.



Ongoing, ad-hoc support: available during due diligence processes to assist the investment teams in identifying and managing material ESG risks.

The outcomes of the assessments are integrated into Northleaf’s data platform and are reviewed and updated annually, allowing for enhanced portfolio analysis and monitoring.

Northleaf’s Proprietary Scoring Matrix for Company-Level ESG Assessment

		Company-Level			
		Inconsequential	Minor Business Disruption	Major Business Disruption	Potentially Catastrophic
Likelihood	Rare	1	1	2	3
	Occasional	1	2	3	4
	Frequent	1	3	4	5

1. The enhanced framework was not implemented for infrastructure investments as their ESG assessments are highly specific and tailored to the industry of the investment, whereby we are likely to engage external advisors to perform ESG due diligence.

ALIGNMENT WITH PRI PRINCIPLES

Northleaf’s approach to responsible investment is aligned with the six principles of the PRI:

2024 PRI SCORES



Policy, Governance & Strategy



Private Equity



Private Credit



Infrastructure



1. We will incorporate ESG issues into investment analysis and decision-making processes.

As part of Northleaf’s investment processes, our investment teams identify transaction-specific ESG considerations, risks and opportunities in the evaluation of all potential investment opportunities. This analysis is presented to the Investment Committee to aid in decision making for potential investments.

2. We will be active owners and incorporate ESG issues into our ownership policies and practices.

Northleaf integrates ESG considerations into our private equity, private credit and infrastructure investment and ownership activities and practices with an appropriately tailored approach that acknowledges the varying degrees of influence that we exercise across each asset class and investment strategy.

3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Post-investment, our investment teams monitor key ESG factors at our portfolio investments. We leverage third-party tools and engage with management teams, investment partners, private equity sponsors and boards of portfolio investments to assess and seek appropriate disclosure of any ongoing ESG considerations, risks and opportunities.

4. We will promote acceptance and implementation of the Principles within the investment industry.

Northleaf participates in industry conferences on sustainability, responsible investment, and ESG. In addition, our investment teams engage with and influence management teams, investment partners, private equity sponsors and boards of portfolio investments where improved sustainability practices or the recognition of climate-related risks and opportunities could reduce risks or benefit performance.

5. We will work together to enhance our effectiveness in implementing the Principles.

Northleaf is committed to promoting sustainability-related initiatives within the private markets industry, including as a signatory to the PRI and as a member of the ESG Data Convergence Initiative which is driving the common use of meaningful ESG metrics across the private markets industry.

6. We will each report on our activities and progress towards implementing the Principles.

Northleaf produces an Annual Sustainability Report which is published on our website. In addition, we provide investors with regular updates on material ESG-related matters through our comprehensive investor reporting processes, including quarterly reports, in-person updates, our Annual Investor Conference and semi-annual updates, and ad hoc communications. Our PRI **Assessment** and **Transparency** Reports are publicly available on our website.

PRIVATE EQUITY

\$14B

Commitments
Raised¹

50

Total Team
Members

100%

Investments for which ESG
Considerations Assessed

99.6%

Investments Categorized by RepRisk
as having “Low” Reputational Risk
Exposure to ESG Issues

4000+

Portfolios Companies
Tracked in RepRisk

100%

Sponsors with ESG Policies
in Place²

1. Represents capital commitments raised to December 31, 2024. Figures in USD.
2. Across 2024 primary fund commitments made in Northleaf’s Global Private Equity Program.

PRIVATE EQUITY – RESPONSIBLE INVESTMENT OVERVIEW & APPROACH

Northleaf’s private equity program invests in mid-market private companies globally, through an integrated program of secondary, direct and primary investments. Across all investment strategies, the private equity team works to implement, assess and monitor ESG considerations throughout the lifecycle of the investments.

The approach to assessment and quantification of ESG considerations is tailored based on the investment type, chiefly distinguishing investments that are made directly in companies (co-investments and continuation vehicles) from fund investments (primaries and LP secondary transactions). The former will include both company-level and private equity sponsor assessments, whilst the latter will predominantly be based on private equity sponsor assessments.

PRIVATE EQUITY – RESPONSIBLE INVESTMENT OVERVIEW & APPROACH

Northleaf’s private equity team embeds ESG considerations into both our investment activities and ongoing monitoring practices. We assess ESG factors at each stage of the investment process, acknowledging the degree of influence we can appropriately exercise in the context of our investment strategies.

Screening & Initial Review

In the preliminary evaluation of a potential investment opportunity, transaction-specific ESG factors and issues related to the private equity sponsor and, where relevant, the underlying company/companies, are considered.

Due Diligence

During due diligence, ESG opportunities, considerations and risk factors related to the investment opportunity are assessed, as are potential risk mitigation strategies. More specifically, for:

Indirect/fund-based investments (both primary and secondary)

- › The private equity sponsor is assessed and scored on its level of ESG engagement, according to a scale (Not Present, Developing, Intermediate, Advanced) based on the ILPA ESG Assessment Framework.

Direct investments (including secondary direct transactions)

- › The sponsor is scored on its level of ESG engagement according to a scale (Not Present, Developing, Intermediate, Advanced) based on the ILPA ESG Assessment Framework. All potentially material ESG risks of the portfolio company are analyzed and scored using Northleaf’s proprietary ESG Risk Scoring Framework.
- › To the extent a material ESG risk is identified, the investment team will incorporate the ESG risk into the overall modelling approach.
- › In order to conduct a comprehensive assessment, a range of tools are utilized to bolster the investment team’s conclusions, including RepRisk, Climanomics and our SDG-focused sustainability outcomes framework.

The results form part of the findings presented to the Private Equity Investment Committee.

Asset Management & Monitoring

Regular quarterly investment reviews are conducted throughout the life of the investment, leveraging third-party tools to identify and update any new material ESG risks or opportunities. More specifically, for:

Indirect/fund-based investments (both primary and secondary)

- › Sponsors are engaged on a regular basis through quarterly update meetings, annual general meetings or advisory board meetings.

Direct investments (including secondary direct transactions)

- › ESG considerations, risks and opportunities are periodically reassessed through ongoing discussions with management teams, sponsors and co-investors.

Any material ESG matters are discussed with the Private Equity Investment Committee during regular quarterly portfolio review meetings.

Reporting

Comprehensive investor reporting processes are used to provide regular updates on material ESG-related matters.

SPOTLIGHT – IN CONVERSATION WITH LIGHTYEAR CAPITAL

Lightyear Capital (“Lightyear”) is a long-tenured New York-based, mid-market investor specializing in the financial services sector, and has been a trusted investment partner of Northleaf since 2020. Over the course of our collaboration, Lightyear has made significant strides in its ESG journey.

Northleaf spoke with Lightyear to explore its ESG evolution, reflecting on where they began and where they are now. Here is what they shared.

Q: How did you first embark on the ESG journey at Lightyear?

Lightyear developed our ESG guidelines in 2019 as we were preparing for the launch of our fifth fund. What was important to us was embodying the beliefs and practices that had already been part of Lightyear’s investment philosophy. We believe in doing the right thing by consumers and customers, adhering to regulations and creating equal opportunities for people. Analyzing and exercising due diligence on ESG risk factors in a structured way, in accordance with ESG-specific guidelines, was a natural step for us and quickly became part of our investment processes.

Q: How do you integrate ESG considerations into the investment process?

Members of Lightyear’s investment team and Portfolio Solutions Group collaborate with our third-party provider to complete ESG diligence. The resulting diligence report focused on ESG risks and opportunities, along with recommendations, is reviewed by the ESG Committee and deal team. The findings are then presented to the Investment Committee. To date, we have not encountered any material findings that would warrant deep discussion at the Investment Committee or impact the Investment Committee’s decision to pursue

a deal. Once we close on the investment, the diligence findings are reviewed with the management team and plans to implement the recommendations are developed. Lightyear, along with our third-party provider, review the company’s progress on an annual basis, as well as ensure that any new risks or opportunities are evaluated.

Q: How do you engage with portfolio companies on ESG?

Our funds invest in middle-market companies that typically have not fully professionalized their operations. They need help and guidance, firstly, on prioritizing recommendations, and secondly, on thinking about the best way to implement them. We bring in third parties to assist, and utilize best practices developed across our portfolio to make sure our management teams feel supported. We are often doing this while also helping the management teams transform components of their business, typically while bringing in new members of the management team to ensure the broader value creation plan can be delivered. Initiatives such as standardizing employee handbooks where the company has been acquisitive, harmonizing benefits, tracking turnover and conducting employee engagement surveys are examples of how we are working with our portfolio companies.

Q: The US mid-market has been slower to adopt global ESG standards (e.g., UNPRI) than its European counterparts. In contrast, Lightyear has made significant strides in its ESG journey. What was the impetus driving this initiative?

As previously mentioned, in the mid-market, companies are often at an earlier stage of maturity and do not always have the resources to fully execute on recommendations. You can draw a parallel to mid-market private equity firms who are quite lean and unsure about how to resource an ESG effort. At Lightyear, we established an ESG Committee in 2019. The committee meets at least six times per year and collaborates on developing and implementing ESG-related initiatives. Six years ago, it would have been challenging for us to become a UNPRI signatory. However, in 2023, our own ESG program had matured, along with our confidence in being able to meet reporting requirements. We were encouraged by some of our investors to take the leap, and it has been a smooth process for us.

Q: Could you provide specific examples of where ESG initiatives have made a measurable impact on Lightyear's portfolio over the past year?

Schellman, a Fund V portfolio company with an initial investment in October 2021, conducted its ESG annual review in 2022, 2023 and 2024 and showed that management has made progress on recommendations made by the relevant ESG consultant.

The ESG consultant assessed that Schellman improved its human capital management through robust metric tracking and a net promoter survey which highlighted strong engagement. However, room for improvement remains regarding the feedback collection process and compliance training protocols. To address this, Schellman:

- › started tracking voluntary turnover across its workforce, as recommended by the ESG consultant;

- › began conducting annual ethics training and is in the process of creating a targeted course for the sales-oriented Engagement Team; and
- › achieved B Corp certification.

Q: What are the biggest challenges and opportunities a mid-market investor encounters when implementing ESG criteria with companies of this size? How has Lightyear navigated this complexity?

One of the recommendations we often see as part of ESG diligence is the tracking of metrics. If a company isn't tracking the underlying turnover and related metrics, it makes it more challenging for us to report on them. We have become skilled at helping middle-market companies see the value in not only collecting but also analyzing these metrics. Given our focus on investing at the intersection of financial services and technology, healthcare, and tech-enabled business services, our portfolio companies are people-based businesses. As such, the cost of turnover can be very high and related metrics can be insightful during our own diligence as we think about company culture and the ability of the company to attract and retain resources to deliver on growth plans.

Q: How do you seek or consider investor feedback in the area of ESG?

Investor feedback has been invaluable to us as we have evolved our ESG program. Investors like Northleaf are witnessing a huge swath of approaches to ESG and are able to make suggestions based on their own perspective of best practices. Input from investors helped us shape our approach to ESG back in 2019 and has continued to guide us along our ESG journey to bring us to where we are today.

PRIVATE CREDIT

\$6.5B

Commitments
Raised¹

45

Total Team
Members

90+

Active
Investments

100%

Investments Evaluated
using Enhanced ESG
Risk Assessment

94%

Corporate Borrowers / Sponsors
with Documented Commitment
to Responsible Investing

100%

Investments Categorized by RepRisk
as having “Low” Reputational Risk
Exposure to ESG Issues

1. Represents capital commitments raised to December 31, 2024. Figures in USD.

PRIVATE CREDIT – RESPONSIBLE INVESTMENT OVERVIEW & APPROACH

Northleaf’s private credit program invests in mid-market corporate direct lending and asset-based specialty finance investments globally, providing predominately floating rate loans to non-cyclical companies with stable cash flows and conservative capital structures. For each transaction, the private credit team incorporates ESG considerations as part of the investment process.

The private credit team assesses ESG considerations at both the private equity sponsor (for sponsor-backed opportunities) and the portfolio company. As lenders, we do not have ownership or operating control of our portfolio companies, although we encourage and seek to influence the ESG disclosure and practices of our borrowers.

Since implementing our proprietary scoring framework, all current borrowers have been assessed. The low level of ESG risks, particularly environmental risk, identified across the portfolio is indicative of the asset-light businesses that make up the majority of our borrowers. Where a medium ESG risk is identified during diligence, Northleaf will seek to identify mitigating factors.

PRIVATE CREDIT – RESPONSIBLE INVESTMENT OVERVIEW & APPROACH

Northleaf’s private credit team integrates ESG considerations into its investment activities and assesses these considerations during each phase of the investment process, acknowledging the degree of influence we can appropriately exercise in the context of our investment strategies.

Screening & Initial Review

In the preliminary evaluation of a potential investment opportunity, transaction-specific ESG considerations and issues related to the private equity sponsor (for sponsor-backed opportunities) and the portfolio company are identified and considered.

Due Diligence

During due diligence, ESG opportunities, considerations and risk factors related to the investment opportunity are assessed, as are potential risk mitigation strategies. Assessments of the private equity sponsor (for sponsor-backed opportunities) and the portfolio company are performed based on data shared during due diligence, publicly available data and through discussions with the sponsor and the management team.

The sponsor is scored on its level of ESG engagement according to a scale (Not Present, Developing, Intermediate, Advanced) based on the ILPA ESG Assessment Framework. All potentially material ESG risks of the portfolio company are analyzed and scored using Northleaf’s proprietary ESG Risk Scoring Framework.

In order to conduct a comprehensive assessment, a range of tools are utilized to bolster the investment team’s conclusions, including RepRisk, Climanomics and our SDG-focused sustainability outcomes framework.

The results of the sponsor assessment and the portfolio company analysis form part of the findings presented to the Private Credit Investment Committee.

Portfolio Management & Monitoring

Regular quarterly investment reviews are conducted throughout the life of each loan to identify and update any new material ESG risks or opportunities. ESG considerations are continuously monitored, including tracking industry trends and company-specific key performance indicators. Discussions with private equity sponsors (for sponsor-backed opportunities) and management teams are also part of this process.

Any material ESG matters are discussed with the Private Credit Investment Committee during regular quarterly portfolio review meetings.

Reporting

Comprehensive investor reporting processes are used to provide regular updates on material ESG-related matters.

SPOTLIGHT – IMPLEMENTING AN ENHANCED ESG RISK SCORING FRAMEWORK

Northleaf’s Responsible Investment Team delivered a series of training modules to the private credit team to support the implementation of the enhanced ESG Risk Scoring Framework.

As part of the training, all active investments were assessed under the enhanced framework, producing valuable portfolio-level insights.

This new approach is now integrated into the due diligence process of all private credit deals. Once an assessment is completed, the scoring is uploaded into Northleaf’s data infrastructure, facilitating the production of portfolio insights and year-over-year tracking.

Borrowers will be reassessed as part of the annual asset review process to maintain a risk score that reflects changing company and industry information.

The scoring was leveraged to support the Article 8 classification of one of Northleaf’s private credit funds under the EU’s Sustainable Finance Disclosure Regulation (SFDR).

Highlights of Implementation

21

Investment team members received training on the new scoring framework.

6

Training sessions held with the private credit investment team.

100%

Investment team members received personalized feedback on their training exercises.

71

Borrowers assessed under the enhanced framework.

INFRASTRUCTURE

\$7.5B

Commitments
Raised¹

30

Total Team
Members

100%

Investments with Health and
Safety on the Board Agenda

100%

Equity Investments
with a Board Seat²

3.5M

MWh Renewable Energy Generated
Annually by the Portfolio

2500+

Electric Vehicle Chargers Across
the Portfolio

1. Represents capital commitments raised to December 31, 2024. Figures in USD.
2. Based on Investment Value.

INFRASTRUCTURE – RESPONSIBLE INVESTMENT OVERVIEW & APPROACH

Northleaf’s infrastructure program acquires small to mid-sized assets in targeted sub-sectors, primarily in North America, with resilient cash flows and upside from active value creation. For each asset, the infrastructure team focuses on ESG risks and opportunities throughout the diligence process and ongoing asset management activities.

Given the nature of our infrastructure investments, we take an active role in managing assets. We work directly with the people managing the assets on the collection of ESG data, ongoing monitoring of ESG considerations and implementing ESG initiatives, where relevant.

INFRASTRUCTURE – RESPONSIBLE INVESTMENT OVERVIEW & APPROACH

Northleaf’s infrastructure team integrates ESG considerations into its investment activities and ownership policies and practices, and assesses these considerations during each phase of the investment process.

Screening & Initial Review

In the preliminary evaluation of a potential investment opportunity, transaction-specific ESG considerations and issues related to the portfolio company or asset are identified and considered.

Due Diligence

Northleaf asset managers are assigned to each infrastructure investment early in the due diligence process.

During due diligence, ESG opportunities, considerations and risk factors related to the investment opportunity are assessed, as are potential risk mitigation strategies.

The analysis evaluates the potential materiality of the opportunities, considerations and risks identified using three core principles:

- › Economics – to estimate the quantitative impact of the risk or opportunity;
- › Responsibility – to identify appropriate strategies to mitigate risks and capitalize on opportunities; and
- › Oversight – to establish key performance indicators and monitoring processes to track key risks and opportunities.

Where material ESG risks are identified, downside cases are tested to determine if the risks can be managed.

In order to conduct a comprehensive assessment, a range of tools are utilized to bolster the investment team’s diligence, including RepRisk, Climonomics and our SDG-focused sustainability outcomes framework. In certain cases, the investment team may engage external advisors and specialists where technical expertise is required (e.g., environmental consultants).

The results of these assessments form part of the findings presented to the Investment Committee.

Asset Management & Monitoring

Post-investment, Northleaf integrates any improvements or changes into the overall asset management plan. This is monitored and tracked by company management and Northleaf’s asset managers, ensuring ESG-related matters are continuously reported to the Board for monitoring.

Any material ESG matters are discussed with the Investment Committee during regular quarterly portfolio review meetings.

Reporting

Comprehensive investor reporting processes are used to provide regular updates on material ESG-related matters.

Exit

Effective and responsible management of all risks and opportunities is applied throughout the investment holding period to establish a strong foundation for a successful exit.

SPOTLIGHT – THAMES CLIPPERS

Company Overview

Uber Boat by Thames Clippers (“Thames Clippers”) operates the only multi-stop river bus service on the River Thames in London, United Kingdom. Integrated within the broader Transport for London network and operating under a long-term licence with exclusive berthing rights, the company is uniquely positioned to offer a compelling alternative mode of transport. Thames Clippers owns a fleet of 24 purpose-built vessels, specifically designed for the unique tidal conditions of the River Thames, and currently serves 24 piers seven days a week, from Barking in the east to Putney in the west.

Relevant SDGs



The launch of Mars Clipper.



Orbit Clipper being built.

Responsible Investment Highlights

- › Established a Health, Safety & Wellbeing board sub-committee
- › Tangible progress being made in the decarbonization of the company’s vessel fleet and in driving innovation in the maritime sector more broadly:
- › Clearly stated goals in place to significantly reduce CO₂ emissions, aligned to Intergovernmental Panel on Climate Change targets
- › Three next-generation hybrid vessels now in operation, with Mars Clipper joining the fleet in August 2024, and a fourth on order
- › Investments being made in clean maritime technologies, with projects underway to develop (i) a fully electric cross-river passenger vessel (Orbit Clipper), and (ii) a fully electric freight vessel in collaboration with low/no carbon last-mile delivery firms
- › Management incentives aligned with ambitions to reduce carbon emissions

Social Initiatives

- › In-house training academy launched in 2019 to train crew to operate on the unique conditions of the Thames River and offer opportunities for career advancement for the wider Thames Clippers workforce
- › Co-founded an ‘Employment Strategy Group’ with the Thames Skills Academy (a collective of Thames River operators) to support more gender and ethnic diversity across the industry
- › Industry-leading percentage of female captains, over 11%, significantly higher than the maritime industry rate of under 3% seen across the broader sector.

Annual employee survey conducted	Formal diversity, equity and inclusion policy in place	355 employees
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LOOKING AHEAD

KEY INITIATIVES FOR 2025

Northleaf is committed to continually improving our sustainability practices. Building on the strong foundation we have established, we are excited to share several key initiatives for 2025 that highlight the firm's long-term vision for sustainability.

Our first priority for 2025 is to **refresh our Responsible Investment Policy** to ensure that it reflects the most recent enhancements made to our responsible investment approach. This includes the formation of the Responsible Investment Team, creation of the internal Framework for Responsible Investment and enhanced ESG due diligence processes. The refreshed policy will serve as a critical framework for how we incorporate these considerations into investment decision-making, guiding us toward investments that generate resilient long-term financial returns.

We also plan to introduce a proprietary **Sensitive Industries Framework** to enhance decision making related to prospective investments in industries with heightened potential for ESG risks, and particularly those with significant adverse impacts on the environment or society. This internal framework will guide our decision-making process by identifying sectors that are considered high-risk from an ESG perspective and requiring the deal teams to prepare a rationale to proceed to be presented to the Investment Committee. Deal teams will be able to draw from industry guidance that will include criteria to support the rationale to proceed with the investment.

We will also enhance our ability to leverage and assess ESG data by **building out our ESG data capability**. This will include preparing to request data from assets, portfolio companies and GPs, and further integrating ESG metrics into our data platform. This will enable us to make more data-driven decisions, ensuring that ESG factors are deeply embedded in our investment strategies and portfolio monitoring.

Finally, Northleaf is committed to continuous learning and growth, and as such, we will continue to offer **sustainability-related training** to all employees. This training will evolve alongside industry trends and best practices, ensuring that our team remains equipped with the knowledge and tools necessary to champion sustainability within the firm and across our investment activities.

Together, these initiatives reflect our ongoing commitment to creating value that is both financially sound and sustainable. We look forward to reporting on our progress in the coming year and demonstrating how we are driving positive results in private markets.

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