

2018
2019
2020
2021
2022

Environmental, Social and Governance

2020 ESG Report

Northleaf
Capital Partners

Table of Contents

About Northleaf Capital Partners.....	02
Message from our ESG Committee.....	03
Response to COVID-19 - Focusing on our Portfolios, our Team and our Communities.....	05
Mission Statement.....	06
Approach to Responsible Investment.....	07
Commitment to Responsible Investing.....	09
Responsible Investment in Practice.....	10
Private Equity Case Studies.....	11
Private Credit Case Studies.....	13
Infrastructure Case Studies.....	15
Enhancing Our Ability to Identify and Assess Material ESG Risks.....	17
Diversity, Equity and Inclusion.....	19
Corporate Social Responsibility and Charitable Giving.....	21
ESG at Northleaf.....	22

About Northleaf Capital Partners

Our diversified 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 environmental, social and governance (ESG) factors into our investment processes at every level.

Northleaf Capital Partners (Northleaf) is a global private markets investment firm with more than US\$15 billion in private equity, private credit and infrastructure commitments under management. Northleaf's 150-person team, located in Toronto, Montreal, London, New York, Chicago, Menlo Park and Melbourne, is focused exclusively on sourcing, evaluating and managing private markets investments globally.

Northleaf's portfolio includes more than 400 active investments in 40 countries, with a focus on mid-market companies and assets. Northleaf currently manages eight global private equity funds, three specialist private equity secondaries funds, one direct private equity investment fund, three Canada-focused venture capital funds, three global private credit funds, three direct OECD-focused infrastructure funds and a series of customized investment mandates tailored to meet the specific needs of institutional investors and family offices.

Northleaf's value proposition for investors seeking exposure to global private equity, private credit and infrastructure investments includes:

- The opportunity to access value creation outside the public markets through long-term private markets investments
- Highly-experienced professional investment teams with established, successful track records and extensive global networks
- Investor-friendly fee structures specifically designed to mitigate the "j-curve" effect and improve net returns to investors
- A focused and disciplined approach to integrating ESG considerations into the investment decision-making process and monitoring and managing these considerations during Northleaf's ownership period
- A market-leading private markets firm backed by long-term commitments from leading institutional investors, managed in complete alignment with its investors
- Comprehensive tax solutions for cross-border private markets investments

A Message from our ESG Committee



Jeff Pentland
Managing Director
Chair of the ESG Committee



George Zakem
Managing Director



Matthieu Ducharme
Managing Director



Brett Lauber
Managing Director



Nadine Cannata
Director

We are pleased to share Northleaf's 2020 ESG Report - a review of recent responsible investment initiatives and activities across our firm and our global private markets investment platform.

As a long-term investor in the private markets, we believe that responsible corporate behaviour will have a positive influence on long-term financial performance. This belief has guided our investment processes since inception, and in 2011 we established Northleaf's Responsible Investment Policy. We continue to update and refine this Policy while remaining committed to incorporating Environmental, Social and Governance (ESG) factors into our investment processes at every level.

Northleaf has been a signatory to the Principles for Responsible Investment (PRI) since 2016, and we are proud of our achievement in maintaining ratings of 'A+' and 'A' across our private markets platform in Northleaf's [2020 Annual PRI Assessment](#). We also support the recommendations of the Financial Stability Board (FSB) Task Force on Climate-Related Financial Disclosures (TCFD) and are committed to developing voluntary, consistent climate-related risk disclosures.

2020 was a challenging year on many fronts. The dislocation, uncertainty and strain placed on people and businesses as a result of the COVID-19 pandemic have been significant. At the outset of the pandemic there were concerns that ESG considerations would become less of a priority. Encouragingly, this appears not to have been the norm across the private markets industry generally and was certainly not the case at Northleaf. We have maintained our focus on ESG at both the firm level and with respect to our investment portfolios.

At the firm level, we recognized that the onset of the pandemic required enhanced governance to oversee all aspects of our response – across our investment portfolios, our team and our communities. Our team moved quickly to identify any potential issues across our mandates, and, once satisfied with their resilience, have continued to invest in opportunities that will both benefit from and support the eventual post-pandemic recovery. The health and well-being of our team members has also been a focus, and we have continued to implement a series of initiatives to ensure that they remain healthy, engaged and productive. We have also sought ways to support our

communities, including instituting a corporate giving program geared to pandemic containment and relief efforts.

During 2020, we also continued to develop our broader responsible investment approach to our investment portfolios. We refined our ESG framework and approach, including a bottom-up review of our due diligence and asset management processes to reinforce the consideration of climate-related risks (both physical and transition) and opportunities in every investment. We also entered into a partnership with RepRisk, adopting their ESG Risk Platform to further enhance our integrated approach to ESG considerations across our due diligence, portfolio screening, portfolio monitoring/asset management, compliance and company engagement processes.

Looking ahead, a near term objective is to implement tools to apply scenario analyses to the evaluation of climate related risks and opportunities. We are actively investigating tools that leverage the Representative Concentration Pathways (RCP) adopted by the Intergovernmental Panel on Climate Change (IPCC), the United Nations body dedicated to providing objective, scientific information relevant to understanding climate change. These tools will also assist in developing top-down assessments of the most significant climate related risks and opportunities across our investment portfolios.

Finally, we are proud of the diverse, inclusive and engaging culture and community that we continue to build at Northleaf. During 2020, we formalized our Diversity, Equity & Inclusion Committee to lead the development of our diversity and inclusion program, including the evolution of our policies and practices. We have partnered with the Canadian Centre for Diversity and Inclusion (CCDI) to develop an actionable long-term diversity, equity and inclusion strategic plan that incorporates best practices and is uniquely tailored to Northleaf's cultural context. Encouraging, hearing and acting upon diverse perspectives has been a key element of our success as a private markets investment firm. We remain committed to promoting a diverse workplace and fostering a culture of inclusion and engagement for the benefit of our investors, investment partners and team members.

We hope you enjoy our report.

Response to COVID-19 - Focusing on our Portfolios, our Team and our Communities

At the outset of the pandemic there were concerns that ESG considerations would move to the back burner. That was certainly not the case at Northleaf, and encouragingly appears not to have been the norm across the private markets industry more generally.

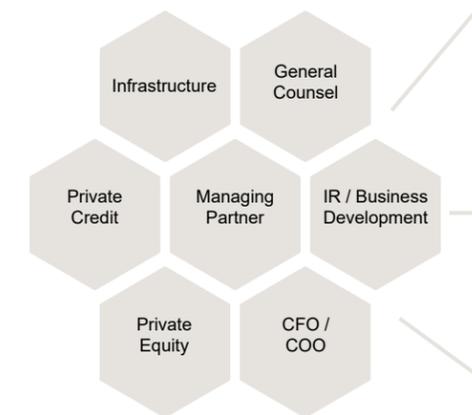
Enhanced Governance

Northleaf's response to the COVID-19 crisis was swift and effective. We set up a core working group that acted as the firm's "nerve centre" to oversee all aspects of our response – with respect to our portfolios, our team and our communities.

At the onset of the crisis, our private equity, private credit and infrastructure investment teams, together with our Portfolio Strategy & Analytics team, senior advisors and operating partners, acted quickly to identify the potential impacts of the pandemic on our portfolios. We identified a shortlist of investments facing the most acute challenges, established a "watchlist" and implemented clear action plans. We continue to closely monitor our portfolios and, based on our detailed company analysis and ongoing stress testing, we remain confident in their resilience and ability to generate strong returns despite the economic dislocation. We have also continued to invest in opportunities that we believe will both benefit from and support the eventual recovery.

We also activated our business continuity plan, which has now been in place and operating effectively since March 2020, when we moved to a remote working environment. The health and well-being of the entire Northleaf team has been top of mind. We made it clear at the outset that there would be no staff reductions as a result of the pandemic, and in fact, we have continued to recruit, hire and onboard more than 15 new team members remotely since the onset of the pandemic. We continue to provide work from home support ranging from equipment allowances to an online health, well-being and productivity resource centre. Early in the pandemic, the firm brought forward year-end bonuses for all but the most senior members of the team to alleviate financial concerns and, recognizing the additional burden that stay-at-home orders can bring, have provided additional paid time off throughout the year to all employees.

Northleaf COVID-19 Working Group



Manage Business Continuity Plan

- All employees shifted to a remote work environment
- Consistent processes, procedures and controls
- Ensured firm and portfolio level liquidity

Implement team well-being, effectiveness & culture initiatives

- No staff reductions; continued to hire/onboard new team members remotely
- Provided "work from home" equipment allowance; developed online health, well-being and productivity resource centre
- Brought forward percentage of year-end bonuses; additional paid time off across the firm

Support pandemic containment and relief efforts



Social Giving

As a firm, we have also sought ways to contribute to the broader containment and relief efforts. In the early days of the pandemic, we donated to the World Health Organization's COVID-19 Solidarity Response Fund in lieu of gifts for our virtual Annual Investor Conference in April. We also implemented a corporate and employee matching program for donations to local charitable organizations that are supporting pandemic relief efforts in each of the seven cities in which we have offices. Instead of the gifts that we traditionally give to our investors during the holiday season, we made additional donations to each of these grass roots charities. This year, Northleaf will be making a donation to Gavi, the Vaccine Alliance. In the face of this unprecedented pandemic, Gavi is working with countries to support the COVID-19 response and to maintain and restore routine immunization. The Alliance is also co-leading global efforts on equitable access to COVID-19 vaccines.



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

Approach to Responsible Investment

As a long-term investor in the private markets, Northleaf recognizes that responsible corporate behaviour has a positive influence on long-term financial performance. This belief has underpinned our approach to private markets investing since inception and in 2011 we established a formal Responsible Investment Policy.

We believe investment success is tied to the health and sustainability of the communities and environment in which we operate. We act as a responsible steward of our investors' capital and seek to ensure an alignment of interests with our investors and investment partners alike.

Northleaf's ESG Committee was formally established in 2018 and comprises members from across the firm, including representation from senior investment team members from each asset class in which we invest. The ESG Committee is accountable for the oversight of the firm's approach to responsible investing in general and our Responsible Investment Policy in particular.

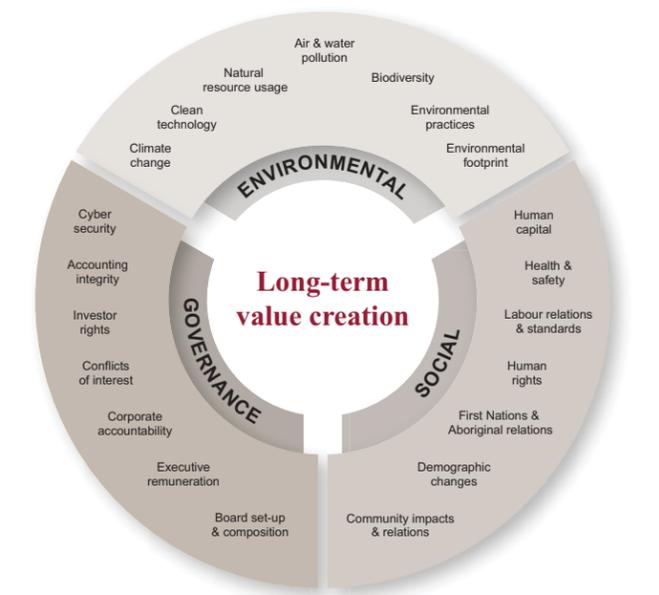
Northleaf is committed to incorporating ESG factors into our investment processes at every level. At Northleaf, ESG considerations include a wide range of factors that may have an impact (individually or in combination) on the risk and return profiles of investments.

Northleaf's ESG Objectives

- **Assess** ESG risks and opportunities as part of investment due diligence through every stage of the investment process
- **Quantify** the risk/return impact of ESG-related considerations where possible

- **Monitor** ESG considerations as part of ongoing asset and portfolio management and monitoring activities
- **Report** on ESG-related matters to investors
- **Promote** responsible investing to employees, partners, service providers and investors

Northleaf's ESG Considerations



Commitment to Responsible Investing

Signatory to the Principles for Responsible Investment

As a signatory to the Principles for Responsible Investment (PRI), Northleaf is committed to upholding the values of PRI and applying its principles across all of our investment activities firm-wide. Adopting the Principles provides 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.



Northleaf is committed to applying the six principles of the PRI:

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

Supporter of the Task Force on Climate-Related Financial Disclosures

Northleaf supports the recommendations of the Financial Stability Board (FSB) Task Force on Climate-Related Financial Disclosures (TCFD) with respect to developing voluntary, consistent climate-related risk disclosures. Northleaf is focused on investing in and building well-managed, more valuable companies and assets. Responding to the risks and opportunities associated with climate change is an integral part of this approach. We believe that support for the TCFD's recommendations will catalyze more consistent, comparable and reliable disclosure of climate-related information that will in turn facilitate more informed business and investment decision-making.



Responsible Investment in Practice

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

Northleaf's investment teams are responsible for assessing ESG considerations during each phase of the investment process. The Investment Committee for each mandate has ultimate responsibility for ensuring that Northleaf's ESG standards are maintained. The ESG Committee is accountable for the ongoing development and evolution of the firm's approach to responsible investing in general and our Responsible Investment Policy in particular.

Screening and initial review – Identify transaction-specific ESG considerations and issues in the preliminary evaluation of a potential investment opportunity.

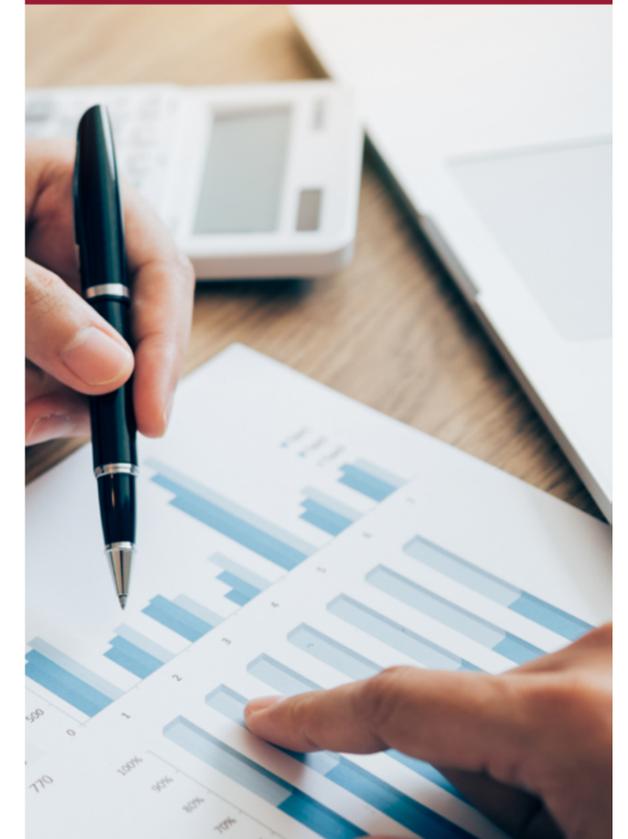
Due diligence – Assess ESG opportunities, considerations and risk factors related to a particular investment opportunity, as well as possible risk mitigation strategies. This includes the consideration of climate change risks (both physical and transition) and opportunities.

Asset management and monitoring – Engage with and influence investment partners, management teams, private equity sponsors and Boards of investments where improved ESG practices or the recognition of climate related risks and opportunities could reduce risks or benefit performance.

Reporting – 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, as well as ad-hoc communications.

Northleaf is committed to incorporating ESG factors into our investment processes at every level.



Responsible Investment in Practice - Private Equity Case Studies

Butterfly Equity Partners

Butterfly Equity Partners (Butterfly) is a Los Angeles-based private equity manager specializing in the food sector, targeting companies throughout the food value chain from “seed to fork”. Butterfly employs an operations-focused and technology-driven approach to investing.

Northleaf completed a primary commitment to Butterfly Fund III in 2020. Northleaf previously completed a direct investment alongside Butterfly in Bolthouse Farms, a leading producer of carrots and refrigerated premium beverages, in 2019.

Highly differentiated ESG approach

Butterfly has a highly differentiated approach to ESG with a firm-wide focus and financial commitment to improving global social and environmental well-being. ESG considerations are core to Butterfly’s culture, due diligence and portfolio development. As an investor in the food industry where issues such as environmental impact and labour relations are key to operations, Butterfly has well-defined ESG objectives built around the concept of “doing well while doing good”.

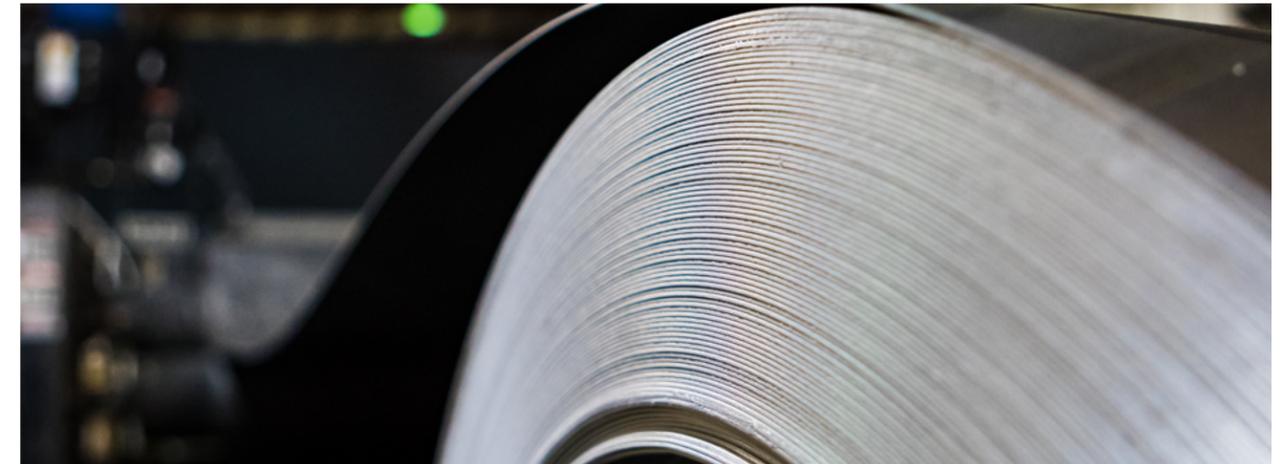
Each company in Butterfly’s portfolio creates an ESG Commitment Plan based on a specific framework. The Butterfly framework requires that portfolio companies meet minimum standards in the “table stakes” areas of ESG, such as governance practices, sustainable sourcing and diversity and inclusion.



Each company also commits to adopt and implement ESG initiatives in two food-related impact areas from the UN Sustainable Development Goals, as well as one company-specific impact area. Management team and company performance against these goals is evaluated and reported annually.

Butterfly has best-in class stakeholder reporting on its ESG program and performance and publishes an annual ESG Impact report. For 2019/2020, Butterfly reported that through the COVID-19 pandemic, the firm and its portfolio companies delivered against a significant number of ESG goals, moved forward with planned initiatives and also pivoted to meet the unprecedented social needs created by the pandemic. In addition, the founders have created the Butterfly Foundation, a Los Angeles-based non-profit organization focused on promoting access to nutritional meals.

Based on our due diligence assessments for both the Bolthouse Farms direct investment and the Butterfly Fund III commitment, and given Butterfly’s leading ESG approach, we rated the firm’s level of ESG engagement as “advanced”. Our ongoing monitoring and engagement approach confirms Butterfly’s continued strong focus on ESG factors.



Material Sciences Corporation

Material Sciences Corporation (MSC) is a global provider of specialty metal and materials solutions for acoustical, light-weighting and coil coating applications for automotive and other end markets.

Northleaf has been working with MSC since completing a single company secondary investment in 2019. As part of our original diligence process, we analyzed and integrated several ESG considerations. The company’s overall ESG risk was rated as “low” and MSC was identified as a business that could benefit from positive environmental and social trends.

Efficiency opportunities

Northleaf identified the opportunity for MSC to leverage its production of cutting-edge materials to take advantage of structural trends related to reducing carbon emissions from vehicles, including lighter weight components, to meet more stringent fuel economy standards. MSC’s innovative, light-weight products enable the company to take advantage of positive environmental and social trends and opportunities through improvements in fuel efficiency, allowing for extended electrical vehicle

range and ultimately contributing to a reduction in carbon emissions.

MSC also has robust employee safety measures in place and strong employee relations. There have been no industrial relations issues over the past 15+ years. MSC rewards its employees with performance compensation and the plants have implemented profit sharing programs.

Northleaf regularly monitors ESG considerations, risks and opportunities through ongoing discussions with the management team and our investment partner. Material ESG matters are discussed with the Investment Committee and the private equity team at our regular quarterly portfolio review meetings. Since our initial investment, MSC has continued to support vehicle light-weighting and has been recognized as a market leader in product innovation to support the emission reduction goals of auto manufacturers, as evidenced by industry awards and increasing customer demand.

Responsible Investment in Practice - Private Credit Case Studies

thinkproject

thinkproject is a global provider of collaboration and information management software solutions for large construction and engineering projects. Northleaf provided a unitranche loan to thinkproject in 2020 to support its acquisition by EQT Partners, a global private equity sponsor.

Accountability through implementation of an ESG-linked margin ratchet

Northleaf's unitranche loan agreement includes a novel ESG-linked margin ratchet that is based on the achievement of certain ESG criteria. This is one of the first mid-market financings to include such an arrangement.

ESG covenant criteria include:

-  Minimum 50% share of green purchased electricity; to rise to 85% over time
-  Minimum 25% of women among board members within 12 months; to rise to 40% over time
-  Appointing an ESG-focused board member, conducting internal greenhouse gas inventory assessments and achieving greenhouse gas emissions reduction target

This sustainability criteria will be introduced in 2021, with the first potential margin reduction (or increase) applicable from 2022 onwards. KPIs will be tested quarterly and a Sustainability Report will be delivered to lenders.



Weiman Products

Weiman Products (**Weiman**) is a global provider of branded specialty cleaning products for the consumer market and specialty cleaning, sterilization and disinfectant products for commercial markets. Northleaf provided a first lien loan to Weiman in 2018 and made a follow-on investment in 2020.

Successfully executing the growth of sustainable and green product lines

In underwriting the initial loan to Weiman, a key area of diligence was to analyze Weiman's product lines, their environmental impact and the opportunity to expand into sustainable, "green" product areas. Together with the sponsor, we identified growth opportunities to expand the company's sustainable and natural products to serve the demands of its evolving consumer base. Subsequent to our initial investment, Weiman successfully executed several strategic initiatives to add green alternatives, including the acquisition of Green Gobbler, a leading provider of "green" and natural drain openers, liquid drainers, septic cleaners and other household cleaning products. Northleaf supported the acquisition with a follow-on debt investment in Weiman.

Sustainability remains a key area of focus and growth for Weiman, and the company continues to innovate and play its part in being a responsible corporate citizen.

Fleet Complete

Fleet Complete (**FC**) is a Canada-based provider of connected vehicle technology, delivering mission-critical fleet, asset and mobile workforce solutions around the globe. Northleaf provided a unitranche loan to FC in 2020.

Contributing to improved safety and environmentally conscious behaviour

The benefits of FC's products are significant for its customers both in terms of sustainability and safety. FC's products enable better tracking of the fleet, resulting in significantly better utilization and route optimization leading to lower fuel usage and hence emissions. The products also track driver behaviour, contributing to improved driver safety as well as the safety of people in its customers' communities.



Responsible Investment in Practice - Infrastructure Case Studies



Our infrastructure investments around the world support a wide range of environmental, social and governance initiatives in the communities in which they operate.

South Branch Wind Farm

30 MW operating wind power facility in Eastern Ontario, Canada

- Donates C\$30,000 annually for the South Branch Community Fund for local initiatives including:
 - Public recreational facilities and programs;
 - Community gathering facilities and events; and
 - Educational and job training related to sustainability or renewable energy
- Installed wildfire protection software on all turbines



Waterloo Wind Farm

130.8 MW operating wind farm located in the mid-north region of South Australia

- Established a scholarship program for local women undertaking a Bachelor of Engineering degree at the University of Adelaide
- Offers a student, affected by a financial disadvantage, up to A\$28,000 over four years to cover tuition and other expenses
- Pairs the student with an Asset Engineer from Waterloo Wind Farm that serves as a mentor throughout each semester

CSV Midstream Solutions

Calgary-based developer, owner and operator of fully-contracted gas processing assets in Canada

- Held mental health awareness sessions for employees and contractors to emphasize importance and provide education and resources
- Commissioned an indigenous art piece from a local First Nations artist to celebrate the success of the expansion project at the Paramount Karr facility
- Replanted trees that were impacted during the development of the Paramount Karr expansion project

Southeast Stoney Trail

New 25 kilometre six-lane roadway, as well as 12 kilometres of existing road, located in Alberta, Canada

- Installed high barrier tension cables along the full length of the road to improve safety of drivers
- Placed single barriers in areas deemed “accident prone” which has helped avoid several major accidents as a result
- Evaluating a change to LED lighting which would reduce power consumption, require fewer service workers and equipment to maintain the apparatus and improve safety by eliminating the need for workers on the highways replacing bulbs on a regular basis



Navigator Terminals

Bulk liquid storage business with four locations in the UK

- Awarded Shell Chemicals’ Storage Provider of the Year in Europe for 2019-2020, scoring the highest on Shell’s annual audit of performance measures, in recognition of Navigator’s exemplary culture of health and safety and its record of continuous operational improvement
- Actively implementing strategy for transition to alternative and renewable fuels

COVID-19 Pandemic Relief Initiatives

Fort St. John Hospital

55-bed acute-care hospital and a 123-bed residential care facility for seniors, located in British Columbia, Canada

- Donated C\$25,000 to the FSJ Foundation to support COVID-19 initiatives at the facility

Northwest Parkway

Nine-mile toll highway that forms part of the beltway system extending around the Denver Metropolitan area in Colorado, U.S.

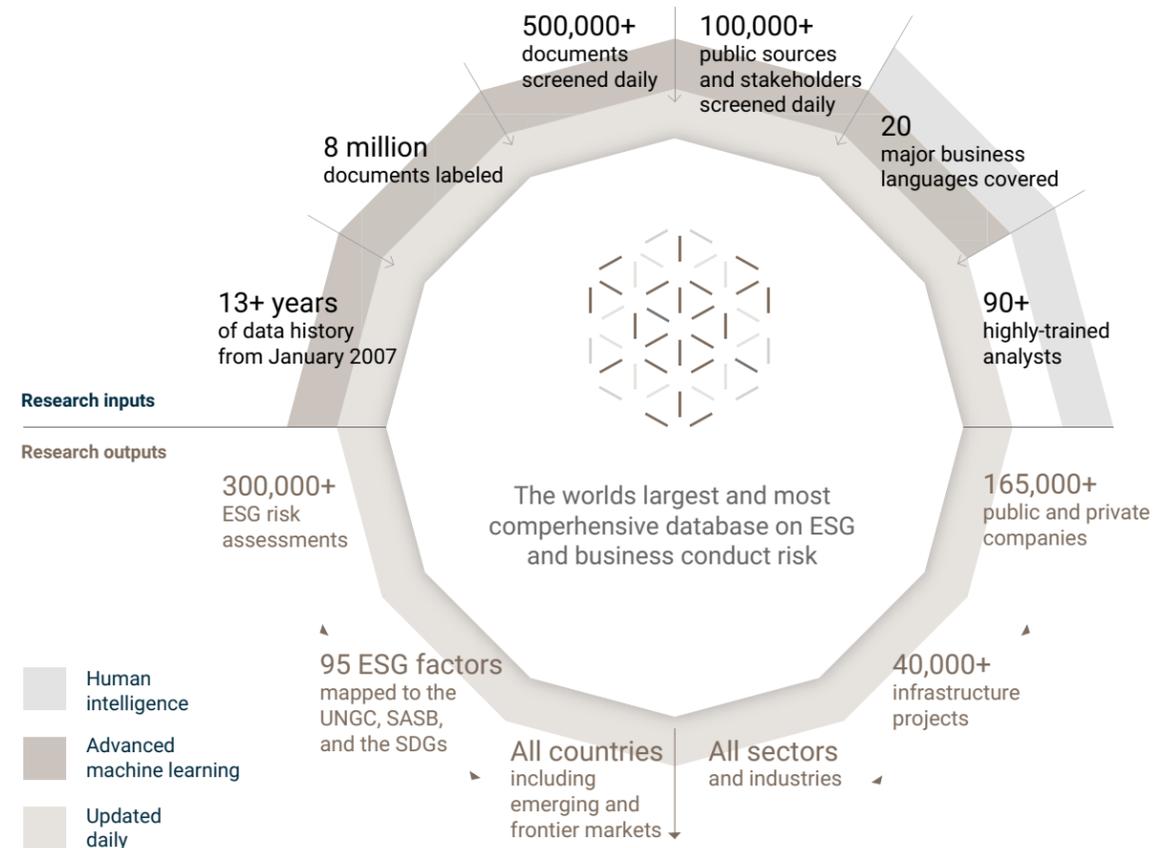
- Donated US\$100,000 to local organizations in Colorado to address the impacts of COVID-19

Enhancing Northleaf's Ability to Identify and Assess Material ESG Risks

In 2020, Northleaf entered into a partnership with RepRisk to further enhance our integrated approach to ESG considerations across our due diligence, portfolio screening, portfolio monitoring/asset management, compliance and company engagement processes.

RepRisk - A Leader in ESG Data Science

The RepRisk ESG Risk Platform is the world's largest database on ESG and business conduct risks. Northleaf is able to use this database to conduct in-depth risk research on companies, projects, sectors and countries to identify material industry-specific risk in due diligence and monitor ESG risks across our existing portfolios. Combining AI and machine learning with extensive reviews by analysts, RepRisk provides Northleaf's Investment and Portfolio Strategy & Analytics Teams with access to a unique database with extensive information from public sources and stakeholders that is updated daily.



Source: RepRisk

RepRisk's proprietary risk metrics enable Northleaf to identify and assess ESG risks across our investment processes, from deal sourcing through due diligence and ongoing portfolio monitoring/asset management. Our Investment and Portfolio Strategy & Analytics Teams are able to leverage a number of tools including:



Risk index – a quantitative measure (on a scale of 0 to 100) of a company's or project's reputational risk exposure to ESG issues



Risk rating – a letter rating (AAA to D) that facilitates benchmarking and ESG integration



UNGC violator flag system – a flag system to highlight risk or potential risk of violating one or more of the ten UN Global Compact Principles



Violater index - a fully customized metric tailored to Northleaf's ESG framework, internal policies and risk appetite

Enhancing Northleaf's Investment Processes

Due diligence

Northleaf's Investment Teams have integrated RepRisk searches into the early stages of our deal sourcing and due diligence processes. A search of companies or projects early in the review of an investment opportunity allows for negative screening or the identification of potential ESG risks that require further due diligence.

Portfolio monitoring / asset management

Northleaf's Portfolio Strategy & Analytics Team has proactively created comprehensive portfolio management databases that are monitored by RepRisk. This allows for regular and up-to-date monitoring of any ESG issues that may exist across our portfolios or, in some cases, how our investment partners and private equity sponsors are approaching any issues. This provides for more rigorous portfolio management and company/sponsor engagement. Our portfolio management activities to date provide our investors with a high level of comfort in terms of the state of Northleaf's private markets portfolios.

RepRisk's risk index is a quantitative measure that ranks a company or project's reputational risk exposure to ESG issues as low, medium or high. Northleaf's most recent investment mandates demonstrate very low ESG reputational risk exposure.

Percentage of underlying portfolio companies in Northleaf's recent mandates categorized as having low reputational risk exposure to ESG issues:



1. Includes 910 underlying portfolio companies from Northleaf's recent private equity mandates. Of the 0.2% of portfolio companies that were not "low", all were scored as "medium" and none were "high".
 2. Includes 49 underlying portfolio companies from Northleaf's private credit mandates.
 3. Includes 19 assets from Northleaf's infrastructure mandates.



Diversity, Equity and Inclusion

We understand and celebrate how dimensions of diversity across the Northleaf team add value to the benefit of our firm, our investors and our investment partners. Based on our fundamental belief that a diverse group makes better decisions we are committed to our diversity, equity and inclusion journey and are proud of the diverse, inclusive and engaging culture we continue to foster.

In 2020, we formalized a Diversity, Equity & Inclusion (DEI) Committee to lead the development of our diversity, equity and inclusion program, including the evolution of our policies and practices and the build-out of a long-term diversity, equity and inclusion strategy. The DEI Committee is chaired by Michael Flood, Managing Director and Head of Private Equity, and includes a number of senior-level Northleaf professionals, with active support from Northleaf's Management Committee.

Northleaf has partnered with the Canadian Centre for Diversity and Inclusion (CCDI), an organization that specializes in promoting diversity and inclusion and helps employers effectively address the full picture of diversity, equity, inclusion and human rights within the workplace. In September 2020, we launched a firm-wide initiative to build diversity and inclusion awareness, knowledge and skills across our team and to help us identify important opportunities that will support a diverse and inclusive work environment.

We are working with CCDI to develop an actionable long-term diversity and inclusion strategic plan that incorporates best practices and is uniquely tailored to Northleaf's cultural context. Through surveys and focus groups, CCDI has been assisting Northleaf to better understand and identify important diversity and inclusion opportunities. This will enable us to make informed decisions on how to develop programs and improve policies that will lead to a more diverse, equitable and inclusive organization.

Global Team Gender Identity

Our firm welcomes and encourages a variety of perspectives. Every member of each of our investment teams is expected to contribute their knowledge and

experience on every investment that is considered on behalf of our investors. This in turn both relies on and builds the skills and experience of all team members regardless of tenure, seniority, race, ethnicity, religion, gender or sexual orientation, and ensures that each team member is able to continuously develop investment judgment and evaluation skills over time. This diversity of thought ensures that multiple points of view enhance the quality of the team's investment decisions. Diversity also serves as a competitive differentiator in attracting and retaining talent.

Gender diversity is one of the key considerations on which Northleaf is focused.



* Senior Roles include Managing Directors, Directors and other senior leadership in non-investment roles.

We furthered our commitment to diversity, equity and inclusion in the private markets through our sponsorship and support of a number of important industry associations in 2020.



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 of Out Investors, a global network of LGBT+ investment professionals and allied firms with the core mission of making the investment management industry more welcoming and inclusive. One of our team members is taking a leadership role in the build-out of the Out Investors Toronto chapter.



Northleaf is a Champion sponsor of the Black Innovation Programs (BIP) at Ryerson University's DMZ, supporting programs that will provide start-ups led by Black entrepreneurs with the strengthening support of a top university-based incubator network. Northleaf has pledged a five-year commitment as a sponsor of the organization.



Northleaf is a lead sponsor of the Conference Board of Canada's research project focused on women-led start-ups and venture capital success. This research will explore the factors that lead to success for early-stage technology companies, with a particular focus on understanding whether women and men entrepreneurs take different approaches and have different outcomes. Northleaf pledged \$50,000 to support the study and also led the outreach to generate incremental sponsorship from our network of private equity sponsors, raising an additional \$40,000.



Northleaf has donated to Girls E-Mentorship (GEM), 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 was once again a Lead Sponsor of Private Equity International's 2020 Women in Private Markets Summit, Europe's largest diversity event focused on the latest issues facing the private markets industry, including diversity and inclusion. Northleaf's Kristin Shearer, Kriti Madan and Michelle Winters represented the firm at the Women in Private Equity Forum, the Women in Infrastructure Forum and the Women in Private Debt Forum, respectively, and Lauren Harris presented on innovations in driving diversity in private markets.

Corporate Social Responsibility and Charitable Giving

Northleaf is committed to giving back to the communities in which we operate and invest.

2020 was marked by the impact of the COVID-19 pandemic and was the focus of our charitable giving throughout the year. In the early days of the pandemic, we donated to the World Health Organization's COVID-19 Solidarity Response Fund. We implemented a corporate and employee matching program for donations to local charitable organizations that are supporting pandemic relief efforts in each of the seven cities in which we have offices.



While a number of charitable events were postponed this year, we continued our support of numerous programs, including:



ESG at Northleaf

Environmental stewardship

Northleaf strives to reduce our environmental footprint and ensure the efficient use of resources across the firm.

Northleaf complies with all applicable environmental laws, regulations and standards across our global office network.

Social impact

Northleaf understands the importance of promoting sustainability and building capacity in the communities in which we operate and empowers team members to give back in ways that are meaningful to them.

Northleaf meets or exceeds all health, safety, labour and employment laws and standards and has implemented a full suite of policies on vacation and employee leave (including parental leave); discrimination, harassment and violence in the workplace; and accessibility.

Governance, ethics, fairness and transparency

Northleaf is committed to good governance, built on a foundation of enduring, trust-based and transparent relationships with our investors, investment partners and colleagues.

Northleaf operates with the highest standards of integrity and professionalism, conducting business in compliance with all legal and regulatory requirements, our own Code of Ethics and Conduct and a comprehensive suite of best-in-class policies covering issues such as: corporate governance; compliance; anti-money laundering; anti-slavery; anti-corruption and bribery; anti-discrimination, harassment and violence in the workplace; data protection; cybersecurity; risk controls; and valuation.

Northleaf

Capital Partners

TORONTO / MONTREAL / LONDON / NEW YORK / CHICAGO / MENLO PARK / MELBOURNE

