

Northleaf

2021
DEI Report

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About Northleaf

Rigorously selective. Responsibly opportunistic.

Northleaf Capital Partners (Northleaf) is a global private markets investment firm focused on providing our investors with differentiated access to mid-market companies and assets. With more than US\$19 billion in capital commitments, Northleaf has an established, long-term track record as a principal investor in private equity and venture capital, private credit and infrastructure. As a well-established, specialized investment firm, we serve more than 200 institutional investors and family offices globally. Our integrated platform is available through a range of pooled fund solutions and custom mandates, managed by our experienced team of mid-market specialists with an extensive global network.

Our team of more than 175 professionals, located in eight offices across North America, Europe and Australia, is focused exclusively on sourcing, evaluating and managing private markets investments on behalf of investors. Northleaf's portfolio includes more than 500 active investments in over 40 countries.

Our diversified mid-market private markets programs provide innovative solutions to investors seeking attractive, risk-adjusted returns. We believe that diversity benefits our investment decision-making and has a positive impact on long-term financial performance. We are responsibly cultivating an inclusive, equitable and respectful environment that reflects the global nature of our business and embraces diversity in all its forms.

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Mission Statement

Northleaf's approach to diversity, equity and inclusion 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

Message from Our DEI Committee

We are pleased to share Northleaf's 2021 DEI Report — a review of the recent diversity, equity and inclusion (DEI) initiatives and activities across our firm and our global private markets investment platform.

At Northleaf, we have always believed that diversity of thought and experience is a key factor in our investment decision-making capabilities. We understand and celebrate how diversity across our team adds value to the benefit of our investors, our investment partners and our firm.

We are proud of the diverse, inclusive and engaging culture that we are building at Northleaf. Our DEI Committee is leading the development and evolution of our policies, practices and long-term strategy. Our objectives include embracing diverse perspectives within Northleaf, cultivating an inclusive culture that instills a sense of belonging for all, and championing equitable access to professional and personal development opportunities across all our offices.

Over the course of 2021, we focused on building the foundation for our long-term DEI strategy to ensure that it incorporates best practices and is uniquely tailored to Northleaf's cultural context. We have continued to partner with CCDI Consulting Inc., an organization that assists employers globally to effectively address the full picture of diversity, equity, inclusion and human rights.

Throughout the year, we have facilitated ongoing dialogue across our team to better understand their needs and priorities, allowing us to make more informed decisions on how to best develop programs and improve policies that will contribute to a more diverse, equitable and inclusive organization. In addition, we are prioritizing education and learning across our firm to promote an understanding of the importance and value of a diverse, equitable and inclusive workplace. This builds on our fundamental belief that a diverse group makes better decisions. We are committed to embracing and cultivating an inclusive and engaging community to ensure that everyone at Northleaf has an opportunity to contribute and make a positive impact.



Mike Flood
Managing Director &
Head of Private Equity
Chair, DEI Committee



Lauren Harris
Managing Director,
Private Equity



Leigh Brown
Chief Human Resources
Officer



Sophia Damianou
Managing Director,
Business Development,
EMEA



Daniel Dupont
Vice Chair, Europe



Jeff Lucassen
Chief Financial Officer &
Chief Operating Officer



Edgar Haryanto
Vice President,
Infrastructure



Maulik Patelia
Senior Associate,
Human Resources

Over the past year, we have also furthered our commitment to diversity, equity and inclusion in the private markets industry through our sponsorship and support of a number of industry associations and initiatives.

We are pleased to share highlights of some of the recent diversity and inclusion activities taking place in our private equity and venture capital, private credit and infrastructure investment portfolios.

Looking ahead, our focus will be on implementing measurable, strategic goals, which include nurturing a respectful and inclusive culture; attracting, developing, retaining and advancing a diverse group of exceptional professionals; incorporating DEI in our investment process; and supporting industry and community initiatives to advance DEI.

Northleaf remains committed to our DEI journey. Encouraging, hearing and acting upon diverse perspectives has been a key element of our success as a global private markets investment firm. We will continue to promote a diverse workplace and foster a culture of inclusion and engagement for the benefit of our investors, investment partners and team members.

We welcome any questions you may have – and we hope you enjoy our report.

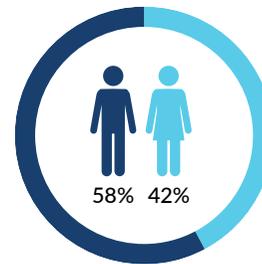
Based on our fundamental belief that diverse teams make better decisions, we are committed to our DEI strategy and are proud of the diverse, inclusive and engaging culture we continue to foster.

Building Our Diverse, Equitable and Inclusive Culture

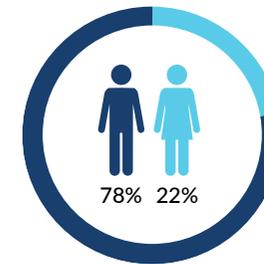
Global Team Diversity

Our firm welcomes and encourages a variety of perspectives. For example, investment team members at all levels are 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, sexual orientation or abilities, 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 are considered in each investment decision. A similar approach is employed in the ongoing decision-making across the firm. Diversity also serves as a competitive differentiator in attracting and retaining talent.

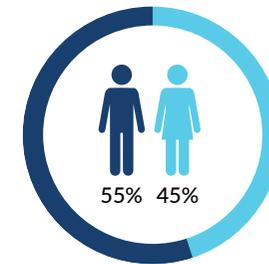
Gender diversity is one of the key considerations on which Northleaf is focused.



All employees



Senior roles*



2021 hires

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

Diversity and Inclusion Survey

Northleaf conducts a biennial diversity and inclusion survey to provide us with a deeper understanding of our current culture so that we can develop and improve specific programs, policies and practices that support all members of the team and create a welcoming, equitable and inclusive work environment. As we track our progress over time, we will be able to measure the effectiveness of our DEI strategy.

We launched our first diversity and inclusion survey in 2020. Responses were anonymous and included voluntary disclosure of workplace demographics, personal demographic identities, and more than a dozen inclusion questions. The survey revealed a high degree of engagement and commitment to Northleaf, with approximately 94% of respondents indicating that they felt they are treated fairly and with respect at Northleaf. Our next survey launched in May 2022.

Employee Engagement

Northleaf also conducts a biennial Employee Engagement survey to gain insight and a deeper understanding of our culture so that we can continuously improve and evolve.

Our 2021 Employee Engagement survey produced a top-quartile engagement score of 84%, based on a 92% participation rate. In addition, 83% of employees indicated they would “recommend Northleaf to a friend as a great place to work.” Our next survey is scheduled for early 2023.



Northleaf conducts biennial diversity and inclusion and employment engagement surveys in order to gain insight and a deeper understanding of our current team culture so that we may continue to improve and evolve our programs, policies and practices.

Education and Awareness

We continue to advance diversity, equity and inclusion at Northleaf through education and cultural awareness training.

In 2021, we introduced a new program to highlight and celebrate global DEI days of significance. This firm-wide program generates awareness, promotes learning and builds understanding across our team. As part of this initiative, we also launched a DEI Awareness Series which seeks to share diverse perspectives with our team and held the following events:

In connection with Northleaf's observance of the first National Day for Truth and Reconciliation in Canada on September 30, we held Indigenous Cultural Awareness sessions, led by our partners at Our Children's Medicine. These sessions provided the opportunity for our global team to learn about the history of Indigenous people and their relationship with Canada, and enabled our team to appreciate the importance of reconciliation and take away practical ideas of how to be a part of this important movement.

Northleaf team members had the opportunity to take part in a number of webinars, in partnership with IGM Financial, as part of our cultural awareness education.

Black History Month – focused on learning more about the experiences of Black communities in Canada, the US and the UK

International Women's Day – focused on unconscious bias and empathy as a key leadership skill

International Transgender Day of Visibility – focused on the power and responsibility of allyship and inclusive spaces in achieving success

Team Training

We also strive to ensure that our team has the opportunity to expand their knowledge and understanding of DEI through various training sessions.

In 2020, Michael Bach, CEO of CCDI Consulting Inc., led a live interactive webcast entitled "Diversity and Inclusion Fundamentals" for all employees. Northleaf's Management Committee also took part in an "Executive Bootcamp" focused on diversity and inclusion. The session provided training and coaching on diversity and inclusion fundamentals, including unconscious bias training, as well as tools on how to promote inclusion to strengthen our inter-cultural and cross-cultural skills.

All employees have participated in Unconscious Bias training through an e-learning course that explores the sources and mechanics of bias and its impact.

Since 2020, we have instituted annual Preventing Discrimination and Harassment training that is mandatory for employees across all offices as part of Northleaf's commitment to foster a culture of inclusion and mutual respect.

Policies

We are committed to conducting our business with the highest ethical standards and to providing a safe, equitable and inclusive work environment. Northleaf has policies and procedures in place that support internal diversity and inclusion initiatives and gender balance, including a defined principled guideline for equal opportunity for all individuals, a policy on discrimination, harassment and violence in the workplace and an employee leave (i.e., maternity, parental and adoption) policy.

Mental Health and Wellness Support

The effects of the global pandemic have taken a significant toll on employees' health and mental well-being, with additional challenges for families, caregivers and individuals living alone. Recognizing the increased need for additional mental health support during this challenging time, we provided our team access to various resources and seminars to help them maintain their personal well-being. This included five additional paid wellness and self-care days, which were facilitated through firm-wide office closures.

Recruitment and Advancement

We continue to build recruiting processes and systems that focus on fair and equitable hiring practices, as part of our long-term DEI strategy. We proactively seek out diverse pools of candidates for each job posting and seek to recruit top talent with diverse personal and professional backgrounds and experiences. As part of our recruitment process for all positions, we reiterate our commitment to providing an inclusive and accessible candidate experience and offer the ability to request accommodations during the process. Over the course of 2021, 45% of employees hired were women. In addition, women comprised 50% of senior promotions across our firm in 2021.

In partnership with the Canadian Venture Capital and Private Equity Association (CVCA), Northleaf participated in the design and launch of a Diversity Internship pilot program. The program aims to expand the talent pipeline for Black, Indigenous and People of Colour in the Canadian private equity and venture capital sectors. Northleaf welcomed our first intern as part of the program in Fall 2021 and a second intern joined in May 2022.

Championing Diversity

We are committed to promoting diversity both inside and outside our firm. We actively seek to showcase the diversity of our firm at Northleaf events, including at our Annual Investor Conferences and our Venture Capital/Growth Equity Annual General Meetings, at external events, and in industry articles and publications.

Northleaf was once again a Lead Sponsor of Private Equity International's 2021 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 Sophia Damianou, Managing Director, participated on the private credit and secondaries market panel discussions.

Northleaf was a Lead Sponsor of Private Equity International's Responsible Investment Forum: Europe in November 2021 where Sophia Damianou spoke on a panel discussing practical ways to address diversity within a private markets portfolio.

In 2021, Out Investors, a global network for LGBT+ investment professionals launched a Toronto chapter, led by Northleaf's Edgar Haryanto, Vice President. As Co-Chair of the Out Investors Toronto Chapter, Edgar also organized and spoke at the Toronto launch event, which included a panel discussion on LGBT+ inclusion in the investment industry and challenges and opportunities to make a further impact. Northleaf's Mike Flood, Head of Private Equity and DEI Committee Chair, showcased his allyship and was a panelist at the event.

Northleaf participated in Private Equity International's Special Report on Diversity, Equity and Inclusion in October 2021 where Lauren Harris, Managing Director, and Edgar Haryanto provided perspectives on the importance of DEI.

Our Commitment to Advancing DEI in the Private Markets Industry

Cultivating a Diverse Next Generation of Private Markets Professionals

We are dedicated to supporting programs designed to build, strengthen and grow a robust pool of underrepresented talent for the private markets industry.



Northleaf is a supporter of Out Investors, a global network of LGBT+ investment professionals and allied firms with the core mission of making the direct investing industry more welcoming and inclusive. Northleaf's Edgar Haryanto was the 2021 Co-Chair of the Out Investors Toronto Chapter.



Northleaf remains actively involved on the Canadian Venture Capital and Private Equity Association's (CVCA) Diversity & Inclusion Committee. We also continued to support development-oriented programs, including the Canadian Women in Private Equity's (CWPE) mentorship program and 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 is a supporter of Our Children's Medicine (OCM). OCM works with community organizations, innovative technology builders and business leaders to rethink how to connect Indigenous job seekers with employment opportunities nationwide. Northleaf committed to a two-year sponsorship of OCM's The Campaign for a Lifetime's Wage initiative.

Supporting Industry Initiatives Furthering DEI



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 that signatories commit to undertake. Joining this initiative underscores our commitment to advancing DEI both within our organization and the private markets industry more broadly.



Northleaf is a champion sponsor of the Black Innovation Programs (BIP) at The DMZ, supporting programs that will 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 as a sponsor of the organization.

The Conference Board of Canada

Northleaf is a lead sponsor of the Conference Board of Canada's research project focused on women-led start-ups and venture capital success. The research explored the gender differences between men and women leading technology start-ups in Canada, 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 was a member of the study's Research Advisory Board.

To read more about the Women-Led Ventures study, click [here](#).

DEI in Our Investment Portfolios

Incorporating DEI in Our Investment Process

As part of our investment due diligence process, Northleaf has developed a diversity and inclusion assessment dashboard that is used to evaluate how investment opportunities align with best practices across a number of diversity and inclusion metrics.

For example, in the context of primary private equity and venture capital fund commitments, we seek to understand how fund managers approach diversity and inclusion both at the fund level and the portfolio company level. This assessment provides us with the opportunity to collaborate on best practices and engage with fund managers on DEI related topics. This dashboard is included in every Investment Committee presentation and is one of the assessment factors considered as we make primary fund investments.

Private Equity and Venture Capital

Case Study



StandUp Ventures

StandUp Ventures (StandUp) is a Toronto-based women-led seed-stage venture capital fund manager focused on investing in women-led technology companies. StandUp specifically targets B2B SaaS, B2B marketplaces, and health technology companies with at least one woman in a C-level leadership position who has an equitable amount of ownership.

StandUp is led by Michelle McBane, an experienced seed investor who is well connected in the Canadian venture capital ecosystem. Michelle is a member of multiple organizations and programs, which promote the attraction and retention of women and minorities within private equity, including Co-Chair of CVCA's Diversity and Inclusion Committee.

As part of Northleaf's Canadian Venture Capital/Growth Equity program, Northleaf completed a primary commitment to StandUp Ventures, the manager's first fund, in 2019, and subsequently made a commitment to StandUp Ventures II in 2021. Northleaf believes that StandUp is targeting an underrepresented opportunity of women-led ventures that have the potential to generate strong returns.

Our private equity and venture capital program seeks to integrate and evaluate DEI considerations across all of our primary investments.



Northleaf's commitments to StandUp provide access to a differentiated opportunity to invest in women-led ventures that have the potential to generate strong returns.

Private Credit

Case Study



VetCare

VetCare is the largest independently owned veterinary practice management operator in Canada. Northleaf invested in a first lien loan to VetCare in 2021. The loan agreement includes margin ratchets that incentivize diversity, equity and inclusion targets, including:

- Gender diversity: minimum 5% annual increase in the percentage of employees who are women
- Visible minorities diversity: minimum 5% annual increase in the percentage of employees who are visible minorities

VetCare will provide Northleaf with an annual sustainability report, which will include diversity metrics that have been verified by a third-party auditor.

Our private credit program seeks to influence positive DEI outcomes across our investors' portfolios.



VetCare's loan agreement with Northleaf includes margin ratchets that incentivize diversity, equity and inclusion targets.

Infrastructure

Case Study



Quantem

Quantem is the leading independent provider of bulk liquid storage terminals across Australia and New Zealand. Northleaf has been an active shareholder in Quantem since 2014.

In 2021, Quantem implemented a diversity & inclusion (D&I) policy and has launched key initiatives aimed at improving policies around recruitment, professional development and parental leave benefits. It currently operates a leadership training program that encourages workplace diversity and invites high-performing women employees that were identified as part of the succession planning process.

Quantem has an initiative underway to partner with a local university and develop a scholarship and cadetship program for financially disadvantaged female students who are actively enrolled in a science, technology, engineering and mathematics (STEM) field of study.

Our infrastructure program seeks to support and promote DEI initiatives at the assets in which we invest.



Quantem implemented its D&I policy in 2021 and is focused on key diversity and inclusion initiatives.

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