

Diversity, Equity & Inclusion at Northleaf

2020 Report

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About Northleaf Capital Partners

Our diversified private markets programs provide innovative solutions to investors seeking attractive, risk-adjusted returns. We believe that diversity of thought is a key factor in our investment decision-making capabilities that will have a positive influence on long-term financial performance. We are committed to embracing and cultivating an inclusive and engaging culture at Northleaf.

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.

A Message from Our Diversity, Equity & Inclusion Committee



Michael Flood
Managing Director
Chair of DEI Committee



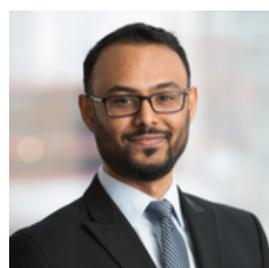
Lauren Harris
Director



Edgar Haryanto
Vice President



Jeanette White
Vice President



Maulik Patelia
Analyst

We are pleased to share Northleaf's inaugural Diversity, Equity & Inclusion Report – a review of recent diversity, equity and inclusion (DEI) activities across our firm and our global private markets investment platform.

We believe that diversity of thought and experience is a key factor in our investment decision-making capabilities. We understand and celebrate how diversity across the Northleaf team adds value to the benefit of our investors, our investment partners and our firm. Based on our fundamental belief that a diverse group makes better decisions, we are committed to embracing and cultivating an inclusive and engaging community that ensures everyone at Northleaf has an opportunity to contribute and make a positive impact.

We are proud of the diverse, inclusive and engaging culture that we continue to build at Northleaf. In early 2020, we formalized our Diversity, Equity & Inclusion 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.

We have partnered with the Canadian Centre for Diversity and Inclusion (CCDI), an organization that specializes in promoting diversity and inclusion and helps employers globally to effectively address the full picture of diversity, equity, inclusion and human rights. We have launched a firm-wide initiative to generate awareness, develop knowledge and skills across our team and identify important opportunities that will assist us in building an inclusive and equitable work environment that embraces all dimensions of diversity.

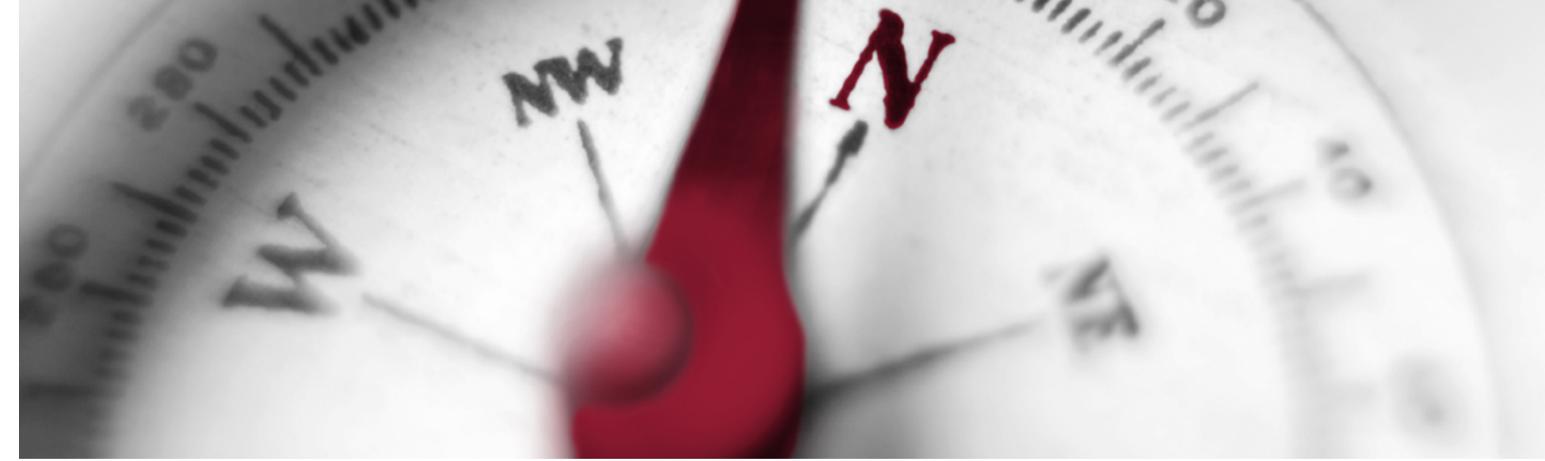
We are working with CCDI to develop an actionable long-term diversity, equity and inclusion strategic plan that incorporates best practices and is uniquely tailored to Northleaf's cultural context. Through surveys and focus groups, CCDI has been assisting us to better understand and identify important opportunities to advance diversity and inclusion at Northleaf. This will enable us to make informed decisions on how to best develop programs and improve policies that will lead to a more diverse, equitable and inclusive organization. Building on training and workshops that we have started to hold with the senior leadership team, we will set out a multi-year diversity, equity and inclusion strategy that will include measurable goals together with timelines and accountabilities. The strategic plan will be rolled out during the second half of 2021. We have also furthered our commitment to diversity, equity and inclusion in the private markets through our sponsorship and support of a number of industry associations.

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

Looking ahead, we remain committed to our diversity, equity and inclusion journey. Encouraging, hearing and acting upon diverse perspectives has been a key element of our success as a 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 hope you enjoy our report.

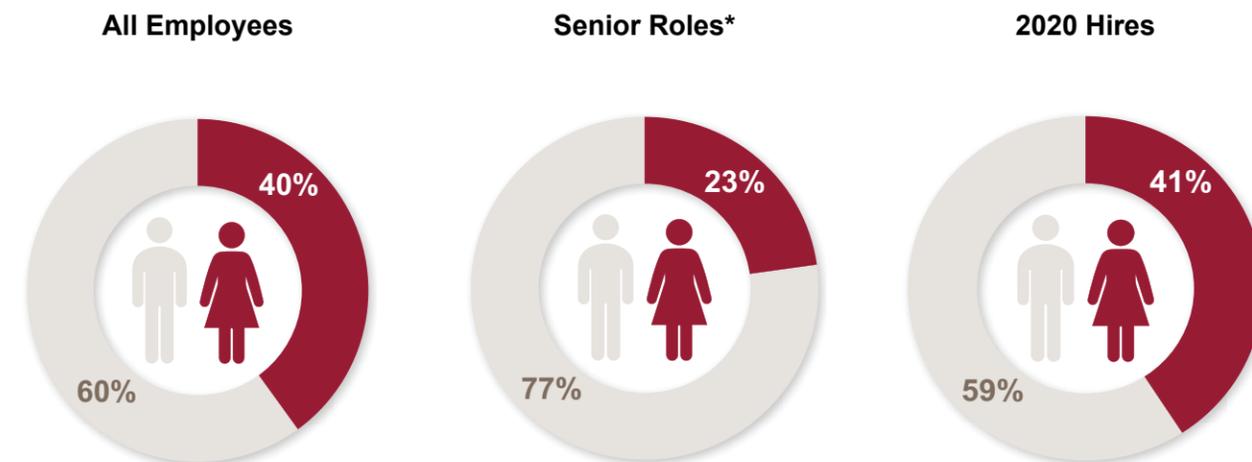
Building a Diverse, Equitable and Inclusive Culture



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 to enhance the quality of the team's investment decisions. A similar approach applies to ongoing development and 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.



As at December 31, 2020.

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

Policies

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. We are committed to conducting our business with the highest ethical standards and to providing a safe, equitable and inclusive work environment.

In addition to our broader policies and procedures, we are working with the Canadian Centre for Diversity and Inclusion (CCDI), an organization that specializes in promoting diversity and inclusion. CCDI is assisting us with effectively addressing the full picture of diversity, equity, inclusion and human rights, as we seek to better understand and identify important diversity and inclusion opportunities tailored to Northleaf's cultural context. We will work to identify appropriate measurable goals and the associated programs and/or policies which will allow us to successfully achieve these goals.

Recruitment

We are committed to maintaining a diverse and inclusive workplace as our firm continues to grow, given our belief that more diverse companies are able to attract and retain exceptional talent. We want to see a diverse pool of candidates for consideration for each job posting and seek out top talent with diverse personal and professional backgrounds and experiences. As part of our recruitment process for all positions, we also reiterate our commitment to providing an inclusive and accessible candidate experience and offer the ability to request accommodations during the

process. As we develop our long-term DEI strategy with CCDI, we will continue building recruiting processes and systems that focus on fair and equitable hiring practices. Over the course of 2020, 41% of employees hired were female.

Training

Education is key to building awareness and we held a number of firm-wide diversity and inclusion learning and training sessions throughout the year.

Northleaf commissioned Michael Bach, CEO of CCDI, to lead a live interactive webcast on diversity and inclusion fundamentals for all employees. The two-hour session focused on creating a shared awareness and understanding of the meaning and value of diversity, the approaches to developing an inclusive and engaging culture, and the process of fostering and maintaining policies that ensure everyone has a fair and equitable opportunity to make a positive contribution. 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 boost our inter-cultural and cross-cultural skills.

As Northleaf continues to foster a culture of respect, all employees participated in Unconscious Bias training, an online e-learning course that explored the sources and mechanics of bias, its impact and cyclical nature. Employees also participated in a mandatory Preventing Discrimination and Harassment training course. Additional training is planned for the coming year.



Diversity Census and Inclusion Survey

In 2020, we launched our first diversity census and inclusion survey to measure levels of diversity and inclusion within the firm. Responses were anonymous and included voluntary disclosure of workplace demographics, personal demographic identities, and more than a dozen inclusion questions. The survey results revealed that Northleaf has higher agreement ratings, as compared to CCDI benchmarks, across the five baseline inclusion indicators that assess the overall inclusion climate in an organization. These baseline inclusion indicators assessed overall feelings of inclusion, appreciation of one's unique value, support for one's well-being and beliefs that Northleaf is committed to diversity. We are also pleased to share that approximately 94% of respondents indicated they feel they are treated fairly and with respect at Northleaf.

The survey provided us with the opportunity to better understand the diversity and needs of our employees. Understanding our current cultural context will enable us to develop and improve specific programs, policies, and practices that support all members of the team and create a welcoming, equitable and inclusive work environment. We will continue to implement our diversity census and inclusion survey on a biennial basis to track our progress over time.

Culture Focus Groups

This year we also conducted a series of confidential virtual focus group discussions to understand how specific identities feel at

Northleaf. Identities at Northleaf are broad; in this first edition of the culture focus groups, we heard from employees who self-identify as women and employees who self-identify as racialized. The discussions provided these employee groups with the opportunity to share their perspectives and personal experiences at Northleaf, anonymously. As we continue to hold focus groups with additional identities, the feedback collected will help inform our areas of strength and those that need improvement to further an inclusive culture at Northleaf.

Employee Engagement

Our fourth firm-wide Employee Engagement Survey was conducted in early 2021. Our 2021 survey produced an 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". We will continue to implement this survey on a biennial basis to gain insight and a deeper understanding of our culture to enable us to continuously improve and evolve.

We also continue to monitor the health and wellness of our team through quarterly employee surveys that provide our Management Committee with anonymous feedback on a regular basis.

Overall, we are pleased with our consistently strong employee retention rate, which was 92% in fiscal 2020.



Northleaf Canadian Venture Capital Annual General Meeting



Private Equity International Private Markets Summit

Showcasing Diversity

We have 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 Canadian Venture Capital Annual General Meetings.

Northleaf was a Lead Sponsor of Private Equity International's 2020 and 2019 Women in Private Markets Summit, Europe's largest diversity event focused on the latest issues facing the private markets industry, including diversity and inclusion. In 2020, 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. Lauren Harris presented on innovations in driving diversity in private markets at the same event.

Our Commitment to Advancing Diversity, Equity & Inclusion 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 investment management industry more welcoming and inclusive. One of our team members is taking a leadership role in building 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.



Supporting Industry Initiatives Furthering Diversity and Inclusion



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 Champion sponsor of the Black Innovation Programs 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.

Diversity and Inclusion in Our Investment Portfolios



Incorporating Diversity and Inclusion 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.

Northleaf's diversity and inclusion assessment dashboard, initially developed for our Canadian venture capital program, has been adopted for use across our global private equity investment program. As part of the investment process, we seek to understand how sponsors approach diversity and inclusion both at the sponsor level and the portfolio company level. This assessment provides us with the opportunity to collaborate on best practices and engage with sponsors on the topic. This dashboard is included in each Investment Committee presentation and is one of the assessment factors considered as we make investments in our global private equity and Canadian venture capital portfolios.

Case Studies from our Portfolio - Promoting Diversity in STEM

Private Equity and Venture Capital: Georgian

Georgian is a Canada-based growth equity firm focused on investments in high-growth technology companies. Northleaf first invested with Georgian in 2009 and has been a lead investor in all six of their funds. Northleaf has also made ten co-investments alongside Georgian over the past decade.



Georgian pledged \$1 million over the next ten years to support Canada Learning Code in providing ten million Canadians with access to meaningful technology experiences.

Georgian is a founding partner of Canada Learning Code, a non-profit organization that is seeking to ensure that Canada has the skilled, competitive and diverse technology leadership it needs to succeed in the twenty-first century. The organization plans to achieve this by delivering on its ambitious goal of creating ten million meaningful technology education experiences for Canadians by 2027, with a particular focus on those historically disadvantaged when it comes to STEM education – women, girls, people with disabilities, Indigenous youth and newcomers.

Private Credit: IVC Evidensia

IVC Evidensia (IVC) is Europe's largest veterinary clinic group. Northleaf initially provided debt to IVC in 2018 and made follow-on investments in 2019 and 2020.



IVC launched a new scholarship program aimed at improving diversity within the veterinary industry.

IVC announced a scholarship program that will fund up to 12 undergraduates from Black, Asian and minority ethnic (BAME) communities for the next applicable veterinary school intake. In addition to making funds available to BAME undergraduates, IVC is also putting a support network in place with a BAME Scholarship Board, a mentoring program and support for student societies to help ensure these undergraduates thrive and flourish.

Infrastructure: Waterloo Wind Farm

Waterloo Wind Farm (Waterloo) is a 131 MW wind facility located in South Australia. Northleaf acquired its initial stake in Waterloo in 2013.



Waterloo created an A\$28,000 scholarship for regional women seeking to pursue an engineering degree.

Waterloo is committed to supporting women entering non-traditional professions such as engineering. To support this commitment, Waterloo established an annual scholarship program for local women undertaking a Bachelor of Engineering degree at the University of Adelaide. The scholarship provides a student affected by a financial disadvantage up to A\$28,000 over four years to cover tuition and other expenses. As part of the scholarship, the student will also be paired with an Asset Engineer from Waterloo that will serve as a mentor throughout each semester. The first recipient was awarded the scholarship in January 2020.



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