STEPSTONE

Responsible Investment Report 2023

ABOUT THIS REPORT

This Responsible Investment (RI) report presents an overview of StepStone's Environmental, Social and Governance (ESG) integration and stewardship activities from January 1, 2023, to December 31, 2023. The information provided addresses the 12 principles of the Financial Reporting Council's (FRC) UK Stewardship Code for asset managers and the six principles under service providers. It also references the Global Reporting Initiative (GRI) Standards, the Asset Management and Custody Activities Standard from the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD) framework. We have included an overview of our Diversity, Equity and Inclusion (DEI) activities within this RI report as well as our climate-related activities within our investments and our operations.

All entities that are part of StepStone Group are included in this report. Any exceptions to this are noted in the GRI Content Index. All monetary figures are in U.S. dollars unless otherwise stated.

Review, Approval and Signoff

This report has been reviewed and approved by the StepStone Board of Directors, the Chief Executive Officer and the Global Head of Responsible Investment.

Further Information

For more information about our work around responsible investment, please refer to the following:

- StepStone Principles for Responsible Investment (PRI) Transparency Report
- Responsible Investment Policy
- Stewardship Policy
- Climate Policy
- Responsible @ StepStone

Contents

Disclaimer

We have prepared this 2023 Responsible Investment Report (the "Report") for our stakeholders, including our employees, clients, customers, suppliers, shareholders and the communities where we operate. This Report and the materials or websites cross-referenced contain statements that are aspirational or reflective of the views of StepStone about our future performance and environmental, social and governance ("ESG") goals that constitute "forward-looking statements" (within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended). Forward-looking statements are generally identified through the inclusion of words such as "aim," "anticipate," "aspire," "believe," "commit," "endeavor," "estimate," "expect," "goal," "intend," "may," "plan," "seek," "strive," "target," "will" and "work," or similar statements or variations of such terms and other similar expressions. The forward-looking statements in this Report and the materials or websites cross-referenced concern StepStone's goals or expectations with respect to responsible investment, sustainability, human capital, environmental matters, policy, procurement, philanthropy, data privacy and cybersecurity, and business risks and opportunities. Forward-looking statements inherently involve known and unknown risks and uncertainties that are often beyond our control and can be difficult to predict, which could cause actual results to differ materially from those predicted in such statements. Forward-looking statements are not guarantees or promises that goals or targets will be met. Many factors can impact actual results, including regulatory and legislative developments, climate conditions or events, stakeholder engagement, among others, including the risk factors outline in our periodic filings with the Securities and Exchange Commission (the "SEC"). StepStone undertakes no obligation to update any forward-looking or other statements, whether as a result of new information, future events or otherwise, and notwithstanding any historical practice of doing so. In addition, historical, current and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, data of third-parties that we do not control, and assumptions that are subject to change in the future. In addition, the information included in, and any issues identified as material for purposes of, this document shall not be considered material for SEC reporting purposes. In the context of this Report, the term "material" is distinct from, and should not be confused with, such term as defined for SEC reporting purposes. Website references and hyperlinks throughout this Report are provided for convenience only, and the content on the referenced websites is not incorporated by reference into this Report, nor does it constitute a part of this Report.

A MESSAGE FROM SCOTT HART, CEO

Welcome to our 2023 Responsible Investment Report.

As I reflect on a year in which our firm grew to exceed 980 professionals across 27 offices, serving clients from around the globe, we remain focused on harnessing the power of our platform and intelligence to deliver tailored investment solutions, advisory services and considered, data-driven insights to our clients. Part and parcel of this delivery is our responsible investment program.

ESG has been in the spotlight this past year, drawing attention from various stakeholders. We embrace the examination of ESG practices and anticipate that this scrutiny will lead to the emergence of stronger and more effectively implemented standards. At StepStone, we firmly believe in the effect that material ESG factors can have on the long-term value of investments. As such, we continue to enhance our processes in our effort to integrate material ESG factors throughout our decision-making process–in every asset class, strategy and investment stage. We firmly believe this can drive and protect value and mitigate risks, strengthening our role as stewards of capital.

We work closely with General Partners (GPs) to seek to make meaningful progress in areas that matter. This includes conserving natural resources, respecting the human rights of workers throughout the supply chain and increasing disclosures of material ESG risks and opportunities.

During this reporting year, we further invested in our monitoring and reporting systems and developed RI dashboards for our clients. Drawing on our extensive coverage of the private markets that has enabled us to collect over 1 million ESG-related data points, these dashboards will increasingly enable our clients to better understand the ESG practices within their portfolio and ultimately help to prioritize their stewardship efforts. Using these dashboards, our own investment professionals and RI team are equipped with the ability to benchmark GPs' ESG data against peers, enhancing our post-investment engagement efforts on behalf of our clients.

Underpinning our efforts are our private markets professionals, who are the backbone of our organization. They bring diverse perspectives, experiences and expertise to our clients. We are committed to helping each colleague build rewarding careers at the firm and to investing in a culture of belonging. I am particularly proud that our efforts earned us recognition as one of the Best Places to Work in *Money Management by Pensions & Investments* in 2023.

As I look ahead, I am optimistic about our capability to continue to address material ESG risks and opportunities within our investments, and our ability to contribute to our industry's progress to overcome many of the challenges facing our world today. We continue to prioritize maintaining transparency in our reporting and fostering open dialogue with stakeholders. We hope that the information provided in this report proves insightful, and we welcome your feedback.

Scott Hart
Partner and Chief Executive Officer

2023 Key Highlights

First accepted as a signatory to the UK Stewardship Code

See page 12 to learn more.

Introduced a new senior member to our RI Team

See page 21 to learn more.

Named one of the Best Places to Work in *Money Management by Pensions & Investments*

See page 90 to learn more.

Supported GPs in monitoring and reporting their financed emissions

See page 76 to learn more.

Launched RI dashboards for clients; providing over 1 million ESG data points

See page 53 to learn more.

Contributed to the Taskforce on Nature-Related Financial Disclosures (TNFD) Recommendations published in September 2023

See page 79 to learn more.

About StepStone

Made to make more of the private markets and bring better opportunities to light

StepStone is a private markets specialist delivering tailored investment solutions and data-driven insights to the world's investors.

Assets under management[1] **$149 BILLION**

Assets under advisement[1] **$510 BILLION**

Annual private markets allocations[2] **~$70 BILLION**

Professionals **980+**

Total Capital Responsibility[1] **$659 BILLION**

Opportunity
The capital and relationships that unlock growth

Reach
True global presence, deep local knowledge

Flexibility
Offerings and expertise to design fully custom solutions

Insight
Expertise and powerful data to drive better decisions

All dollars are USD. Headcount as of December 31, 2023. Data includes Greenspring Associates metrics.

1 Total capital responsibility equals Assets Under Management (AUM) plus Assets Under Advisement (AUA). AUM includes any accounts for which StepStone Group has full discretion over the investment decisions, has responsibility to arrange or effectuate transactions, or has custody of assets. AUA refers to accounts for which StepStone Group provides advice or consultation but for which the firm does not have discretionary authority, responsibility to arrange or effectuate transactions, or custody of assets. $659B in total capital responsibility includes $149B in AUM and $510B in AUA. Reflects final data for the prior period (September 30, 2023), adjusted for net new client account activity through December 31, 2023. Does not include post-period investment valuation or cash activity. NAV data for underlying investments as of September 30, 2023, as reported by underlying managers up to the business day occurring on or after 100 days following September 30, 2023. When NAV data is not available by the business day occurring on or after 100 days following September 30, 2023, such NAVs are adjusted for cash activity following the last available reported NAV.

2 ~$70 billion average annual private market allocations are for the average of the last three years ended December 31, 2023, and represent StepStone-approved investment commitments on behalf of discretionary and non-discretionary advisory clients. Excludes legacy funds, feeder funds and research-only, non-advisory services. Ultimate client investment commitment figures may vary following completion of final GP acceptance/closing processes.

Opportunity

A strategic partner to our clients and fund managers, we listen deeply, share generously, and search diligently for new ways to address each challenge.

A self-reinforcing growth cycle of clients, capital, relationships, data and insight

Reach

Our presence powers possibility. Local teams with valuable regional insights collaborate across 27 cities, 16 countries and five continents.

	AMERICAS	EUROPE, MIDDLE EAST AND AFRICA	ASIA-PACIFIC
Total Capital Responsibility	$342B	$236B	$81B
	195+ Investment Professionals	105 Investment Professionals	35+ Investment Professionals
	57 Partners	23 Partners	12 Partners

All headcount is presented as of December 31, 2023. Data includes Greenspring Associates metrics. Total capital responsibility equals AUM plus AUA and is presented as of December 31, 2023. Reflects final data for the prior period (September 30, 2023), adjusted for net new client account activity through December 31, 2023. Does not include post-period investment valuation or cash activity. Asia-Pacific headcount includes professionals with investment-related responsibilities.

Flexibility

It starts with a question: What do you want to achieve? From there, we create a private markets solution and a relationship that responds and adapts to our clients' evolving needs.

We're perfectly positioned to mine the brightest ideas, creating single- or multi-asset class investment solutions across strategies and structures.

ASSET MANAGEMENT	ADVISORY AND DATA SERVICES	PORTFOLIO ANALYTICS AND REPORTING
Separately managed accounts Address client's specific portfolio risk/return, diversification, and liquidity objectives Integrate a combination of one or more investment strategies across one or more asset classes **Focused commingled funds** Deploy capital in specific asset classes with defined investment strategies Seek to leverage StepStone's multi-asset class expertise	Recurring support of portfolio construction and design Bespoke and project-based engagements Detailed review of existing private markets investments Comprehensive private markets consulting services Licensed access to SPI by StepStone	Provide clients with tailored reporting packages, including ESG factors and operating company metrics Real-time access to SPI by StepStone's Reporting tool

CUSTOMIZED SOLUTIONS AND STRATEGIES ACROSS ALL PRIVATE MARKETS ASSET CLASSES

	Private Equity	Real Estate Equity	Infrastructure Equity	Private Debt (All Asset Classes)[1]
Total capital responsibility	$344B	$175B	$82B	$57B
Average annual investments approved	$35B	$14B	$12B	$11B
Investment professionals	165	60	70	70+

FUND INVESTMENTS / SECONDARIES / CO-INVESTMENTS AND DIRECT INVESTMENTS

Headcount as of December 31, 2023. All dollars are USD (unless stated otherwise) and represent StepStone private market exposure by asset class. Data includes Greenspring Associates metrics. Total capital responsibility equals assets under management (AUM) plus assets under advisement (AUA) and is presented as of December 31, 2023. Reflects final data for the prior period (September 30, 2023), adjusted for net new client account activity through December 31, 2023. Does not include post-period investment valuation or cash activity. The Private Debt investment team consists of 48 team members and leverages the debt expertise of the firm's dedicated Real Estate, Distressed and Infrastructure professionals and partners, which are included in the headcount presented above. Average annual investments approved are the average of the last three years ended December 31, 2023. Amounts may not sum to total due to rounding. Approved figures represent StepStone-approved investment commitments on behalf of discretionary and non-discretionary advisory clients. Excludes clientele that receives research-only, non-advisory services. Ultimate client investment commitment figures may vary following completion of final GP acceptance/closing processes.
Past performance is not indicative of future results and there can be no assurance that the fund will achieve comparable results or avoid substantial losses.

[1] Private Debt includes all asset classes, including Real Estate and Infrastructure debt totaling $11.94 billion.

Insight

World-class, worldwide and multi-disciplined, our people connect ideas, insights and resources to find new ways forward.

Our view is both panoramic and precise, framed by a powerful combination of proprietary data and technology that empowers clients to act with uncommon clarity and conviction.

Empowered experts

Deep specialization is critical to our consultative approach.

Leading every program is an informed and experienced investment professional supported by expert teams and empowered to act decisively on behalf of our clients.

Diverse perspectives

Constant cross-fertilization of ideas fosters new ways to tackle each challenge. Our diverse backgrounds, experiences and perspectives provide clients a full and multi-faceted view of the private markets.

Strategic asset allocation

Determines target allocations to optimize portfolio construction along the efficient frontier.

Investment selection

StepStone's consolidated due diligence library contains qualitative and quantitative insights from more than 340 investment professionals.

SAA >>> RESEARCH

SPI by StepStone tracks private market intelligence information on more than:

18,000 General Partners

46,000 Funds

100,000 Companies

REPORTING <<< PACING

Portfolio reporting

Monitors and analyzes portfolios, funds and underlying investments with real-time access to a fast and intuitive platform.

Portfolio planning

Creates customized commitment plans by forecasting cash flows and exposures to reach allocation targets.

Number of professionals as of December 31, 2023. SPI data as of December 2023.

Powered by Possibility

We have a certain way of seeing, thinking and acting within the world of private markets. These attributes form the foundation of how we work together and help our clients succeed. Our views are encapsulated in the following categories:

Everyone is an entrepreneur

We foster an environment where everyone feels informed, confident and enabled to act; applying their curiosity and skills to solve each challenge, however complex.

We are deep into data

Intelligence is everything—the source and quality of data and the advanced tools to use it. Our rigor, transparency and proprietary technology yield sharper insights that inform better strategies and decisions.

We flex, focus and find

Reaching and realizing the most compelling opportunities takes a platform with true breadth and depth, spanning all asset classes, strategies and structures. So, we built one—to provide greater vision, latitude and customization.

We see the world in close-up

We're truly global, with experts on the ground wherever our clients need to be. Now in 16 countries with 27 offices worldwide, our presence attracts a powerful network of Limited Partners (LPs) and GPs and affords us distinctive views on every aspect of the private markets.

StepStone's Responsible Investment Milestones

2013
- Became PRI signatory

2014
- Adopted RI Policy

2017
- Created RI Committee
- Created DEI Committee

2018
- Conducted first carbon footprint analysis

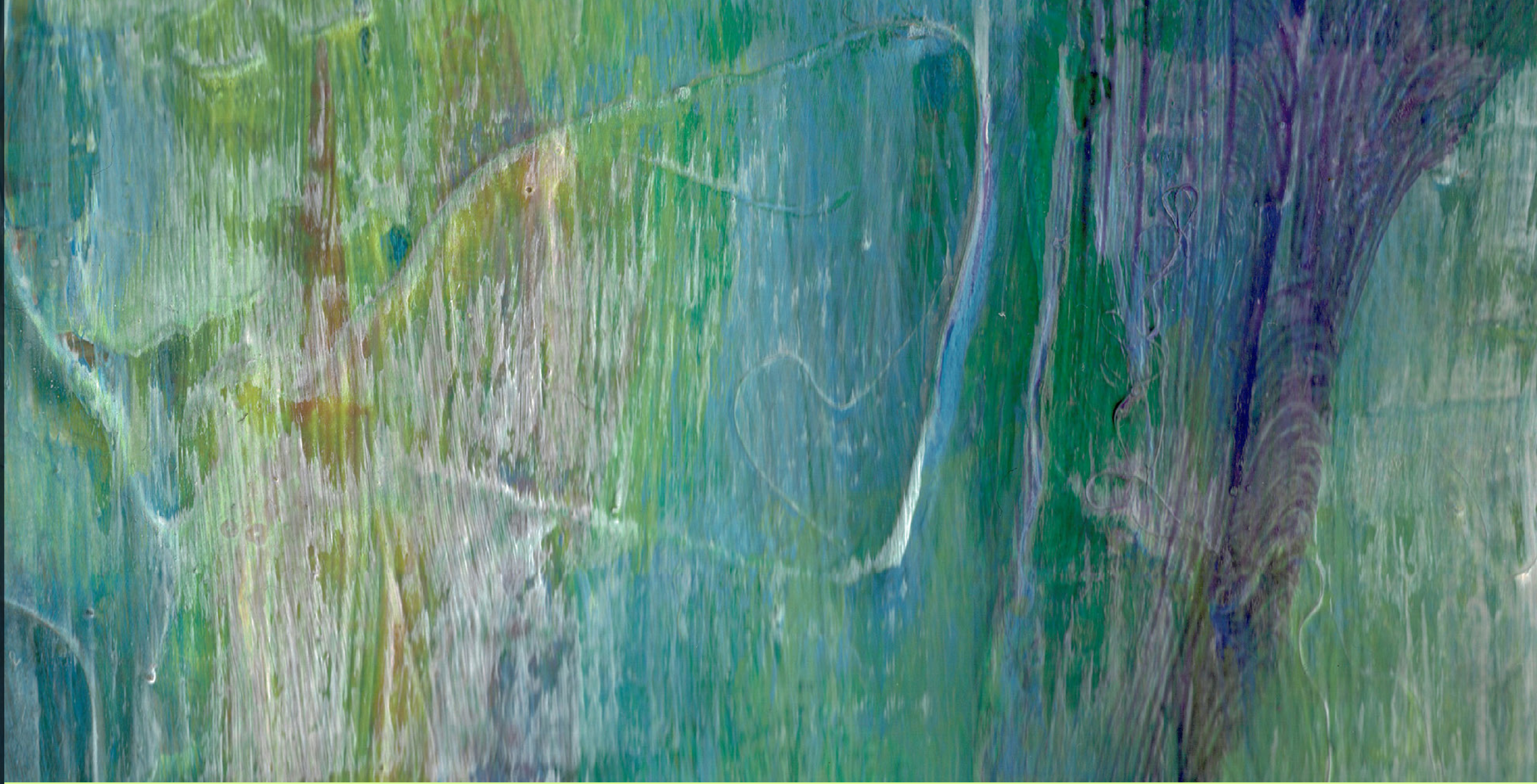
2019
- Became TCFD supporter
- Became SASB Alliance Member (now part of the International Financial Reporting Standards [IFRS] Foundation)
- Created asset class RI workgroups
- Introduced ESG scorecard for primary investments
- Committed to carbon neutrality within our operations

2020
- Became a Global Real Estate Sustainability Benchmark (GRESB) member
- Launched Impact Capabilities
- Became an Institutional Limited Partners Association (ILPA) Diversity in Action Founding Signatory

2021
- Launched first post-investment monitoring outreach
- Became Initiative Climate International (iCI) member
- Became Institutional Investors Group on Climate Change (IIGCC) member
- Became a VentureESG supporter
- Became an ESG Data Convergence Initiative supporter

2022
- Published inaugural ESG, TCFD, DEI and Stewardship reports
- Became a founding supporter of Ownership Works

2023
- First accepted as a signatory to the UK Stewardship Code
- Developed specialized RI dashboards for clients to help illustrate RI practices within their portfolio
- Reached $20B Total Capital Responsibility in impact investment solutions



Governance

Governance Across Our Operations

Corporate Governance

We work every day to earn and maintain the trust of our stakeholders by acting with integrity and prioritizing effective oversight in the markets where we operate. Our governance structures are designed to promote accountability, transparency and ethical behavior consistent with our corporate standards and values.

Our Board of Directors is the highest governing authority at StepStone and has ultimate responsibility for supervising the development and execution of the strategies and policies most pertinent to our business, including those concerning our focus on responsible investment and sustainability matters. These responsibilities are outlined in our Principles of Corporate Governance, which undergo annual review. The Board receives an update on RI performance, including climate-related updates, as a recurring annual agenda item from the Global Head of Responsible Investment.

Alongside the Board, various committees and groups support our corporate objectives, obligations and commitments to our stakeholders, including those related to RI and sustainability. As of December 31, 2023, over 100 of our employees participated as members of our governing bodies. The following key committees convene regularly and operate under committee charters.

	COMMITTEE	ROLE
BOARD COMMITTEES	**Nominating and Corporate Governance Committee**	Among other responsibilities, this Committee identifies individuals qualified to become members of our Board, consistent with criteria approved by the Board, and develops and recommends corporate governance guidelines and principles (which include RI considerations).
BOARD COMMITTEES	**Audit Committee**	Among other responsibilities, this Committee oversees financial audits and manages the engagement of our outside auditors; reviews the adequacy of our internal controls over financial reporting and disclosure controls and procedures; reviews the firm's practices with respect to risk assessment and risk management, including financial statements and financial reporting practices, compliance and information technology and cybersecurity.
BOARD COMMITTEES	**Compensation Committee**	Among other responsibilities, this Committee oversees the firm's overall compensation philosophy, policies and programs; makes recommendations to the Board concerning the compensation of the Chief Executive Officer (CEO); reviews and approves the compensation of other executive officers and recommends the amount and form of director compensation.
CORPORATE COMMITTEES	**Global Executive Committee**	Acts as the consultative body for major StepStone operating decisions and supports the CEO in the day-to-day management of the firm.
CORPORATE COMMITTEES	**Global Allocation Committee**	Oversees the portfolio management process with respect to multi-asset-class mandates managed or advised by StepStone.
CORPORATE COMMITTEES	**Portfolio and Risk Management Committees (PRMC)**	PRMCs, in coordination with the firm's Head of Portfolio Management and Head of Risk, provide oversight of the portfolio management process with respect to mandates managed by the firm and offer non-binding advice to client account managers of discretionary mandates with respect to portfolio management questions. Each of StepStone's private markets asset classes has a dedicated PRMC.
CORPORATE COMMITTEES	**Enterprise Risk Management Committee**	Oversees company-wide risks (including strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational); develops, articulates and communicates an understanding of StepStone's risk profile, risk appetite, risk tolerance and risk capacity; and develops and enhances means of identifying, measuring, monitoring and mitigating key risks.
CORPORATE COMMITTEES	**Disclosure Committee**	Assists StepStone's management in fulfilling their responsibility for oversight of the accuracy and timeliness of the disclosures made by StepStone Group Inc. to its stockholders, including by establishing and evaluating the effectiveness of its disclosure controls and procedures, and reviewing disclosure reports and public statements.
CORPORATE COMMITTEES	**RI Committee**	Oversees and directs StepStone's RI process, including StepStone's RI-related policies, ESG integration efforts (including stewardship), advocacy and ESG training for employees. Please refer to page 19 to learn more about this committee.
CORPORATE COMMITTEES	**DEI Committee**	Oversees and supports StepStone's DEI goals and initiatives. Please refer to page 96 to learn more about this committee.

Risk Management, Ethics and Integrity

Risk Management

Our culture is built on processes designed to positively influence risk management behavior across the firm. At StepStone, managing risk is a responsibility shared by all employees. We believe that effective risk management is essential for good governance and requires a strong risk culture as a foundation to promote responsible conduct. We strive to meet the highest standards while considering the evolving nature of regulatory, operational, reputational and ESG risks.

Portfolio Risk Management

Our efforts to manage portfolio risk are led by our Head of Risk and Head of Research and Portfolio Management. Together, they work closely to help optimize our data, systems and other resources for both our portfolio and risk management needs. Our Head of Risk is responsible for identifying, monitoring and managing the risks pertaining to clients and fulfilling StepStone's permanent risk management function.

To address the nature, scale and complexity of our business, we have PRMCs for each of our asset classes, as noted in page 14 in Corporate Governance. These committees oversee our investment strategies to monitor their alignment with the risk tolerance and specific requirements of each vehicle. Our Head of Risk engages in ongoing dialogue with our PRMCs to provide them with relevant information based on periodic reporting from portfolio investments. These engagements take place at a minimum quarterly and help us evaluate the effectiveness of the risk management processes in place.

Enterprise Risk Management

Separate from our focus on investment and portfolio risk, StepStone operates a robust and distributed approach to enterprise risk management. Business continuity is a key component of our approach—we maintain a detailed disaster recovery and business continuity plan, which outlines the procedures to follow in the event of a disaster or disruption to maintain critical operations and core business procedures.

Our employees can work remotely from any Internet-connected location via secure remote access connections or virtual desktops. We have a work-from-home model should one or more of our offices become physically inaccessible due to a disaster. Additionally, our technology infrastructure features built-in redundancy and replication across multiple availability zones meant to secure data and maintain operations with minimal downtime. We conduct regular information technology (IT) testing to assess the efficacy of our disaster recovery plan, with the latest exercise taking place in February 2024.

Safeguarding Human Rights Risks Across Our Operational Supply Chain

StepStone is focused on identifying potential instances of modern slavery within our operational supply chain and investment process, as these risks could potentially exist in our own operations and the investments we advise on or manage for our clients. We have adopted a Modern Slavery Statement that outlines the steps we are taking, which includes the following measures related to our operations:

- We conduct due diligence on our supply chain and strive to work with our suppliers and partners to promote ethical and responsible business practices.
- We implement robust recruitment processes and provide training on human rights and related issues to empower our employees to identify and respond appropriately to human rights risks.
- We periodically evaluate the effectiveness of the measures we have implemented, which help us to identify areas for improvement and refine our strategies, supporting ongoing progress in addressing human rights risks.

Our operational supply chain mostly consists of professional service providers and business vendors, such as IT service providers and suppliers of office equipment, and we believe that it is low risk in terms of modern slavery and human trafficking. Nonetheless, we expect that our key vendors align with our values and standards and we conduct a periodic due diligence process on those key vendors. This includes querying vendors on whether they have a Modern Slavery statement (and if so, asking them to provide a copy), whether they use, and have relevant due diligence measures in place to prevent the use of child labor, forced labor or human trafficking, and whether they have had any allegations, fines or warnings with respect to modern slavery, forced labor, child labor and human trafficking. We believe that safeguarding human rights is an ongoing process, taking place both at the time of onboarding key vendors and through periodic evaluations. We actively seek to improve our processes to identify and address human rights risks.

Please also refer to page 45 of the Addressing Market-Wide and Systemic Risks section for more information on how we address human rights risks within our investments.

Ethics and Integrity

Our Global Compliance Manual applies to all our employees worldwide and outlines our approach to ethics, governance and compliance. Since our inception in 2007, we have made these principles a core part of our culture and operations. Select topics include:

- Fiduciary responsibilities
- Whistleblower Policy
- Advertising and marketing
- Electronic communications
- Anti-money laundering
- Privacy
- Information security

We conduct mandatory firm-wide compliance training on an annual basis, which includes a review of the firm's compliance policies and procedures, an overview of material changes to regulations affecting private markets asset managers and advisors globally and safeguards against potential issues that may arise in connection with StepStone's business. Our compliance training concludes with an attestation and formal knowledge check, which all employees must pass to complete their training.

Cybersecurity

As technology and cyber threats advance, we remain vigilant in our efforts to protect our systems.

Our Information Security Policy and Data Privacy Policy outline the processes and procedures we have in place to protect our data, as well as that of our clients. We consider the potential consequences of a cyberattack to have financial and operational impacts, including:

- Data corruption
- Loss of funds
- Loss of data or information
- Compromise of client information
- Reputational damage
- Legal implications

Within our operations, our Head of IT leads our efforts in regularly assessing our cybersecurity protocols and addressing potential risks. Our Legal, Compliance and Risk functions provide additional support. The Board and the Audit Committee receive regular reports on the status and updates of cybersecurity and information security matters.

Monitoring Cyber Risk

We employ a multi-layered approach to manage cyber risks and protect our data and systems. Our IT team works closely with leading third-party cybersecurity providers to stay current on global standards for data privacy and security. We also conduct real-time monitoring of our systems, periodic external and internal vulnerability management testing and employee phishing tests. In addition, we seek to address risks presented by new hardware or software changes.

We invest in employee training and education to help promote awareness of and compliance with our policies, as well as identifying potential threats and responding appropriately. As part of our onboarding process, employees receive training on cybersecurity best practices and our security policies and procedures. Our IT team provides ongoing training to employees throughout the year to help maintain a culture of cyber awareness and vigilance.

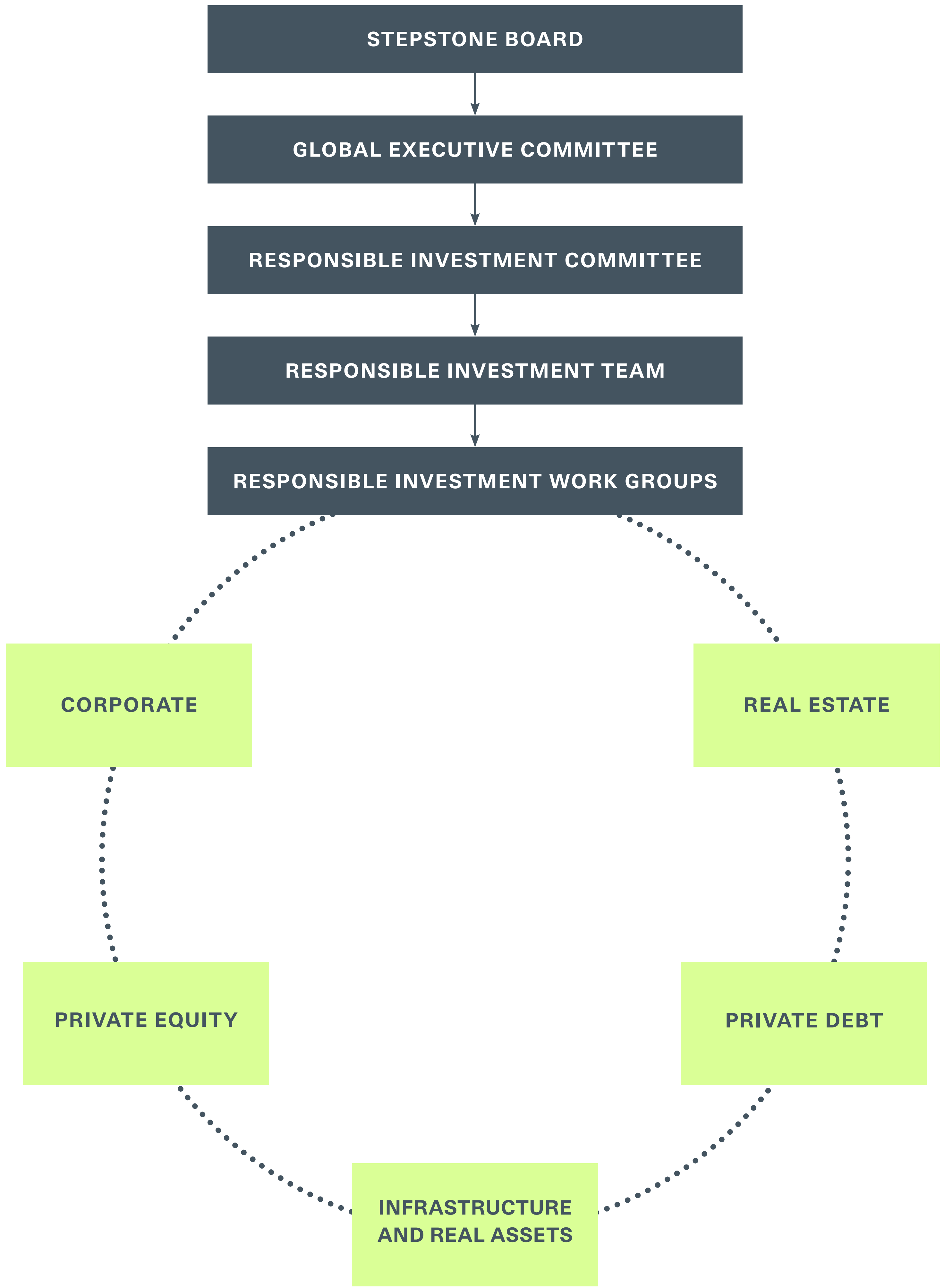
"As technology rapidly evolves, we continue to safeguard our systems and data against cyber threats. From data corruption to reputational damage, we are committed to staying one step ahead in order to mitigate the diverse impacts of cyberattacks and protect the integrity of our systems."

Christopher Bernadino
Managing Director and Head of IT

Governance Across Our Investments

We carefully created our governance structure to foster leadership and accountability to drive ESG integration and stewardship across our organization. We believe this plays an important role in our investment process and have embedded this structure within our governance approach across various levels of the firm.

STEPSTONE'S RESPONSIBLE INVESTMENT GOVERNANCE STRUCTURE



Responsible Investment Committee

The RI Committee is the peak body at StepStone with respect to the direct management of our corporate and investment RI activities, which includes stewardship. The Committee is composed of senior members across our global offices, representing all asset classes and functional areas in an effort to integrate RI across the firm's activities.

Chairing the Committee is Suzanne Tavill, Partner and Global Head of Responsible Investment. Ms. Tavill brings a wealth of experience, with extensive engagement in ESG since 2014. She assumed the role of Global Head of Responsible Investment in 2019. She actively participates in multiple working groups and initiatives, including the PRI Global Policy Reference Group, PRI Private Markets Human Rights Working Group, Invest Europe and the Institutional Investors Group on Climate Change (IIGCC) and initiative Climat International (iCI) working groups. In 2024, she was appointed Co-Chair of the PRI's Private Equity Advisory Committee and to the Steering Committee of the ESG Data Convergence Initiative (EDCI).

The RI Committee is responsible for developing our RI-related policies and overseeing the effective functioning of the RI governance structure throughout the firm to support the implementation of ESG processes and training. This includes introducing new initiatives to incorporate ESG and stewardship into our investment process. The Committee also approves RI due diligence on investments, which is then submitted to the relevant Investment Committee following review by dedicated RI workgroups. Committee members regularly provide thought leadership at global events and through research and papers. Highlights from 2023 are provided throughout this report.

In 2023, we added three more observers to the committee, making the total number of members 14 and observers four.

RI Committee[1]

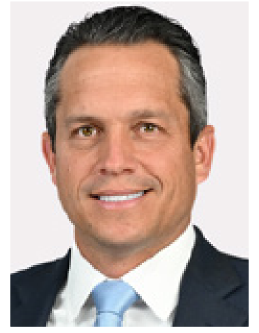
Suzanne Tavill
Partner,
Head of Responsible Investment,
RI Committee Chair
Sydney

Simon Beer
Partner,
Infrastructure and Real Assets
London/Toronto

John Bohill
Partner, Private Debt
Dublin/London

Jose Fernandez
Partner, Co-COO
Private Equity
La Jolla

Christian Frei
Partner,
Head of Risk
Zurich



Scott Hart
Partner, CEO
Private Equity
La Jolla

Jennifer Ishiguro
Partner, Chief Legal Officer and Secretary
Legal
La Jolla

David Jeffrey
Partner,
Private Equity
London

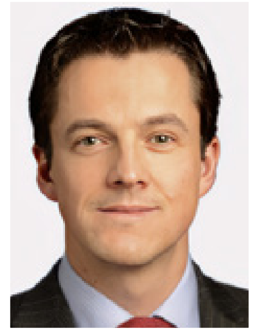
Thomas Keck
Partner,
Head of Research and Portfolio Management
La Jolla

Lindsay Redfield
Partner,
Venture Capital
Baltimore

Brendan MacDonald
Partner, Chief Operating Officer,
Real Estate
San Francisco

Vita Schultz
Managing Director,
Data Science and Engineering
La Jolla

Bhavika Vyas
Managing Director,
Impact
New York



Riaan Potgieter
Principal,
Infrastructure and Real Assets
London

[1] The RI Committee includes four observers: Peter Dunbar (Principal, RI), Dawn Powell (Principal, Impact), Selena Lin (Senior Associate, RI) and Shivam Desai (Associate, RI).

RI Workgroups

Our RI efforts are further supported by five dedicated RI workgroups, one for each asset class and one for corporate-level initiatives. Led by asset class specialists and overseen by the Global Head of RI, our workgroups play a crucial role in the integration of RI practices across our investment activities.

Leveraging their experience, workgroup members actively review RI due diligence and seek to monitor and drive best practices throughout our investment activities. They collaborate with our deal teams, sharing ESG-related information and research. The guidance and support help us navigate material ESG issues in our investments and determine the approach to key topics during due diligence and engagement.

The structure of these workgroups is specifically designed to support our investment teams and equip them with the appropriate tools to conduct robust ESG due diligence. Furthermore, the workgroups help drive engagement with GPs and assets, serving as a cornerstone of our stewardship activity. Additionally, they promote consistent implementation of RI standards across the organization.

OVERVIEW OF RI WORKGROUPS

CORPORATE	PRIVATE EQUITY	INFRASTRUCTURE AND REAL ASSETS
16 Members	21 Members	14 Members

PRIVATE DEBT	REAL ESTATE
22 Members	19 Members

RI Team

In line with our commitment to RI, we have established a dedicated RI team comprising seven full-time members led by Suzanne Tavill. Our RI team's collective experience within private markets–including in investment management, ESG integration, stewardship and impact investing–facilitates a deep understanding of StepStone's business, enabling material ESG and stewardship considerations to be embedded to help protect and enhance the value of investments. By operating globally, the team is better equipped to provide support across our investment regions and lead RI data and reporting projects and engagement initiatives. Additionally, the RI team coordinates several corporate-level ESG initiatives. This includes advocating for the use of carbon footprint measuring within our supply chain, fostering relationships with more diverse service providers and overseeing our efforts to maintain carbon neutrality in our operations. Below, our newest member, Peter Dunbar, Principal, RI, discusses his views on the sector and why he joined StepStone.

Introducing Our New RI Team Member

"I am looking forward to practicing at StepStone what I advocated for at the PRI."

Peter Dunbar
Principal, Responsible Investment

Can you tell us about your career before joining StepStone? Was there anything in particular that shaped your interest in responsible investing?
The initial shaping of my interest stretches back to my study of geography at school and university. That is when I started to learn more about the environment and climate and our impact on them. After working in asset management for some time, I started to think about how I could marry that interest with a career in finance. That moment came when working in an emerging markets private equity firm 10 years ago. I realized there were risks associated with environmental factors that could impact our investment process. I subsequently joined the PRI in 2020 as its Head of Private Equity, where I advocated for ESG integration and worked with GPs and LPs to create guidance and support signatories in their work.

What have been the highlights so far since joining the StepStone RI team?
StepStone is a strong supporter of the PRI's work, and their participation and contributions in the PRI's working groups and advisory committees illustrated that the firm took responsible investment seriously. So, I was delighted to have that confirmed when I joined. One of my first activities at the firm was working with the Private Equity team on risk investment due diligence for a co-investment opportunity, highlighting key ESG risks that merited further diligence. That additional layer of diligence was carried out. I was very encouraged that one of the first points of discussion at the Investment Committee focused on those risks and the diligence we had undertaken to understand them and their mitigants, showing this was a clear part of investment decision-making. Too often, I felt that ESG was given lip service or was a box-ticking exercise for some managers in the industry, but this early example gave me great comfort that my outside-in assessment of StepStone had been correct and that material ESG factors were authentically integrated into the investment process.

What are you looking forward to at StepStone?
I am looking forward to extending our stewardship and engagement program. We have a great opportunity to be a value-added partner to GPs and co-investment portfolio companies and support them in improving their ESG practices. There is still a wide range of sophistication in the market, and we would like to see those still in the early stages of implementation move up the curve as rapidly as possible. There is a great sense of collaboration among private markets ESG professionals. I look forward to continuing to be a part of that.

One of the pieces of work I enjoyed the most while at the PRI was authoring a discussion paper on ESG in venture capital (VC). Interviewing a range of VC firms and LPs investing in the asset class and other stakeholders was particularly intriguing. It made me realize the importance of building more sustainable businesses right from the outset, but also that there were inherent differences in the VC model that any approach to ESG needs to consider. Since StepStone's acquisition of Greenspring in 2021, the firm has done a great job of integrating ESG within VC investments. StepStone is one of the largest allocators to VC funds in the world, so I look forward to working to continually improve our approach to ESG integration in VC and advocate for its thoughtful integration in the industry wherever possible.

Responsible Investment Training

To enhance the expertise of our investment professionals in RI-related topics, we have a training program that we update regularly and tailor to each asset class. Members of our RI team, workgroups and RI Committee deliver training to StepStone professionals across the globe multiple times per year. Training includes various topics considered important for the effective execution of RI activities, including RI governance, ESG integration for primaries, secondaries and co-investments, stewardship and engagement and impact investing.

In addition to our core RI training, we also conduct specialized training on specific material topics. In 2023, these sessions included insights into biodiversity/nature and responsible artificial intelligence (AI).

Policies and Processes to Support ESG Integration and Stewardship

Responsible Investment Policies

At StepStone, we believe that our policies serve as crucial instruments in upholding our values and driving responsible practices across our business. Our RI Policy, Stewardship Policy and Climate Policy were established based on these principles and are meant to be applied globally across the firm's asset classes and investment strategies. An overview of each policy is outlined below and can be viewed in full on our website.

We believe our policies must remain dynamic and adaptable to keep pace with evolving market conditions and the continued expansion of our business. As such, we have established a robust system for reviewing and amending our policies. Our RI Committee oversees adherence to these policies firm-wide and reviews them on an annual basis to evaluate their ongoing effectiveness. In addition to the annual review, we conduct ad hoc assessments throughout the year to address emerging regulatory and industry developments. We believe this agile approach helps enable us to stay ahead of emerging issues and effectively navigate the dynamic environment.

OUR RESPONSIBLE INVESTMENT POLICIES	
Responsible Investment Policy Adopted: March 2014 Last updated: September 2023	Outlines our dedication to integrating material ESG factors into each step of our investment process and within our internal operations.
Stewardship Policy Adopted: October 2022 Last updated: September 2023	Outlines our approach to practicing effective stewardship and engagement within our investments and wider private markets industry.
Climate Policy Adopted: October 2022 Last updated: September 2023	Outlines our approach to integrating material climate-related considerations across our investment process and internal operations.

By subjecting our policies to regular scrutiny, we seek to keep our ESG integration and stewardship efforts responsive, relevant and aligned with industry best practices. Our policies were last updated during the 2023 reporting year to reflect this, alongside our evolving RI priorities and the ever-changing landscape of RI.

Investments in Systems, Processes, Research and Analysis

Since our founding, we have invested and continue to invest significant time and resources in building a global private markets platform. At the heart of this is SPI by StepStone, our proprietary suite of integrated data and technology solutions. Our solutions include SPI Research, our private markets intelligence database, and SPI Reporting, our performance monitoring software. A belief in the power of data has been a guiding force behind our growth and in the success of our clients, who benefit from access to data characterized by its depth, scope and quality, including investment and ESG insights.

By investing in and building technologies and tools, we empower our investment teams to make informed decisions, including with respect to stewardship.

Underpinning our solutions are our dedicated data and software engineering experts, who manage and continue to develop SPI Research and SPI Reporting (and our additional proprietary tools built on the SPI platform). Alongside them are our portfolio analytics and reporting experts, who help provide customized portfolio analytics and reporting on the performance of our clients' investments, including ESG and stewardship-related reporting for relevant clients.

100+
Portfolio Analytics and Reporting Experts[1]

35
Data and Software Engineering Experts[1]

SPOTLIGHT

Webinar for LPs: SPI

During the reporting year, we held the "SPI-Digitizing Private Markets" webinar for our LPs. During the event, LPs learned how to use SPI Research and SPI Reporting, among other solutions, to inform data-driven decision-making, including in regard to ESG and stewardship.

SPI Research

StepStone's library of proprietary private market research is used by our investment professionals and clients as an investment decision-making tool. SPI Research provides access to research on the funds StepStone covers, including:

- Fund summaries
- Investment memos
- Track record analysis
- Benchmarks
- RI due diligence and scorecard
- ESG and diversity metrics
- Impact metrics

Example Use Case: Endowment

Clients can leverage SPI Research to scale their teams to more effectively and efficiently source and cover the market, enabling them to specialize in high value-add activities.

SPI Research Highlights[1]

17K+	46K+
GPs	Funds
226K+	**4,600**
Investments	Meeting Notes LTM

SPI Reporting

Tailored specifically for the private markets, our reporting platform provides clients with transparency and insights into their portfolios. This solution provides real-time access so clients can analyze and benchmark performance and generate detailed analytics, including:

- J-curve and cash flow analysis
- Time period analysis (e.g., internal rate of return, time-weighted returns)
- Private markets equivalent (PME) analysis
- ESG and stewardship-related metrics post-investment

Example Use Case: Pension Plan

Clients can use SPI Reporting to track GP-, fund- and asset-level exposures and performance, including data related to ESG to inform stewardship priorities.

SPI Reporting Highlights[1]

22K
Investor Commitments

$1 Trillion+
Investor Commitments

[1] As of December 31, 2023.

Managing Conflicts of Interest

As registered investment advisers, it is our fiduciary duty to act solely in the best interests of our clients and make full and fair disclosure of any conflicts of interest. While StepStone operates across multiple asset classes and geographies, we have not seen this lead to a higher risk of conflicts of interest. This complexity is well-considered in our policy and processes.

Safeguarding Our Culture Against Conflicts of Interest

Conflicts of interest management is a crucial component of StepStone's wider compliance program and is safeguarded by the following processes:

- We employ a Chief Legal Officer, a CCO and additional dedicated Legal and Compliance team members to help identify and manage potential conflicts.
- All StepStone employees are required to undergo compliance training upon joining the firm and on an annual basis thereafter.
- Employees, based on their designations, must follow processes laid out in the Code of Conduct and Ethics, Global Compliance Manual and Insider Trading Policy.
- We have put in place procedures to handle reports of potential misconduct.
- We do not make political contributions as a matter of policy.
- We have a rigorous allocation policy to mitigate conflicts of interest in serving our clients.

Conflicts of Interest Policy

The Board has adopted a Code of Conduct and Ethics to promote compliance with applicable laws and ethical conduct. This helps enable appropriate disclosure as a public company, provides mechanisms to report unethical conduct and fosters a culture of honesty and accountability. The Code also covers conflicts of interest, including:

- Use of corporate funds and assets
- Loans or guarantees by the firm of obligations of employees or their family members
- Confidential information
- Investment allocation
- Personal financial gain
- Outside activities
- Board memberships
- Anti-bribery
- Political contributions
- Gifts and entertainment
- Corporate opportunities

In addition to our Board-adopted Code, our Global Compliance Manual includes a Code of Ethics. It contains a section related to conflicts of interest, which covers the identification of conflicts, management of conflicts, allocation of investment opportunities, prohibition of recommending out-pooled investment products to our advisory clients, appropriate supervision and additional safeguards to reduce potential conflicts of interest.

Conflicts of Interest Related to Stewardship

StepStone identifies and manages its own potential conflicts of interest, including in relation to stewardship. As a matter of policy and fiduciary duty to our discretionary clients, where we have the responsibility for voting proxies for portfolio securities, we do so in a manner that we believe is consistent with the best economic interest of the client. StepStone generally does not have the legal authority to vote proxies on behalf of advisory clients.

Our policy and practice include the responsibility to monitor corporate actions, receive and vote client proxies and disclose potential conflicts of interest. If any material conflict of interest exists, our CCO will determine what actions are appropriate. The policy requires StepStone to maintain a record of the resolution of any conflict of interest.

Ultimately, as private market investors, proxy voting is not a central mechanism for conducting stewardship activities. Rather, stewardship primarily takes place when companies are still private. We therefore focus our efforts via our positions on Limited Partner Advisory Committees (LPACs) and through board seats and engagement with GPs and assets. We exercise our rights to vote on any actual or potential conflicts of interest through these positions.

Identification of Conflicts

StepStone takes its responsibilities with respect to management of potential conflicts seriously. Our robust framework helps to appropriately identify and manage potential conflicts. StepStone's Legal and Compliance team reviews proposed client mandates before we enter them. The team, taking into account existing mandates, determines whether any real or perceived conflicts exist that may impact the firm's ability to provide services.

If we identify a potential conflict, we determine its exact nature, while our Legal and Compliance team assesses the ability of StepStone to manage it appropriately. In making its assessment, the team liaises with the client relationship lead and relevant partners within the firm. If the team determines that StepStone can appropriately manage the potential conflict, we put in place protocols so each client receives independent and objective advice. In certain circumstances where we determine that conflicts cannot be effectively managed without the consent of the impacted clients, StepStone will seek the consent of potentially impacted clients before pursuing the opportunity.

Managing Conflicts through Ethical Dividers

The procedures we establish to manage the confidentiality of client information in connection with a potential conflict of interest will depend on the specific circumstances. In certain circumstances, StepStone may use ethical dividers to manage such potential conflicts of interest as follows:

- An Ethical Divider Memorandum will be prepared for each client team affected by the potential conflict of interest. Each member of the relevant client team will sign an Ethical Divider Memorandum to acknowledge their understanding of, and agreement to comply with, the ethical dividers that apply to their specific mandate.
- Each of the parties will be serviced by a different mandate lead. Supporting professional staff will deal only with one of the parties concerned.
- Partners and staff will be briefed independently and will be under instructions not to discuss confidential matters with any persons outside their specific project team.
- All hard- and soft-copy information relating to each engagement will be maintained securely to make sure members of each of the potentially conflicted mandate teams do not have access to the other's hard- and soft-copy information.

Allocation of Investment Opportunity

StepStone manages a variety of account types with different strategies and scopes of services. When the amount of an investment opportunity is limited, the firm's decision with regard to allocating the opportunity bears inherent conflicts. To help mitigate these conflicts, StepStone has adopted an Allocation Policy.

Investment Funds and Products

We do not recommend any pooled investment products that we may establish to our advisory clients. In the event that there is interest from the client to invest in any such product, the client is responsible for making the decision to invest, either on their own or in conjunction with non-StepStone-affiliated advisors or consultants as the client deems fit. StepStone would have no participation in the decision or internal discussions of the client with respect to such investment product.

Conflicts of Interest Scenarios

Below we have outlined examples of our approach to addressing potential conflicts of interest scenarios.

POTENTIAL SCENARIO	HOW IT WOULD BE ADDRESSED
Scenario 1 StepStone or any of its supervised persons may have a financial, business or personal relationship with an issuer.	If a material conflict of interest exists, the CCO will determine whether it is appropriate to disclose the conflict to the affected clients, giving the clients an opportunity to vote the proxies themselves or to address the voting issue through other objective means, such as voting in a manner consistent with a predetermined voting policy.
Scenario 2 StepStone may engage in a transaction where a StepStone client is selling interests on the secondary market, and a StepStone entity is the buyer of such assets.	To address perceived conflicts, StepStone would: • Notify the Advisory Board of the vehicle involved in that transaction • Obtain confirmation from the seller that it approves of StepStone as the buyer • Obtain written confirmation from the seller that StepStone is not advising the seller in the transaction • Not be involved in a seller's formal decision-making process in such a transaction • Take steps to avoid any conflicts; these may include proceeding with a third party to determine the price or other key terms of the sale
Scenario 3 An issuer may be held by multiple StepStone investment teams across multiple asset classes.	To address perceived conflicts, StepStone has adopted an Allocation Policy to address the acquisition and disposition of the same investment held across multiple clients. If deemed necessary, a discussion among the heads of each asset class would take place, which would be documented in a memorandum and signed off by the compliance team. Any such investment in multiple asset classes would require approval by the CCO.
Scenario 4 StepStone could invest a client's funds into a StepStone vehicle in the event the client seeks to deploy its capital in such a manner or it is determined, in conjunction with the client, that the investment is in the best interest of the client.	To address perceived conflicts, StepStone has adopted guidelines that would require sign-off from the investing client, acknowledging its decision to enter into the StepStone vehicle. Further, such investment would be reviewed by the Legal and Compliance team, in addition to the relevant Portfolio and Risk Management Committee (discussed further on page 14), which would vote on approval.

Responsible Investing

A LETTER FROM SUZANNE TAVILL, PARTNER AND GLOBAL HEAD OF RESPONSIBLE INVESTMENT

As I reflect on the period since StepStone last issued our ESG, DEI and TCFD Reports, there are three dominant themes that deserve being addressed.

Firstly, there has been critique leveled at ESG practices from two very different quarters – the "ESG backlash" and greenwashing allegations/litigation, which have led to a rise of "green hushing" in multiple jurisdictions globally. While some of this critique was based on misinformation, much was constructive. At the end of the day, this has improved how the industry explains its RI commitments and executes its RI processes to drive improved outcomes.

At StepStone, we go back to first principles and reflect on our investment philosophy, which highlights our fiduciary duty to maximize risk-adjusted returns for our clients and protect value. As such, we must consider all material factors pertinent to an investment – irrespective of whether those factors are classified as financial (e.g., cost curve), strategic (e.g., onshoring vs. offshoring of supply) or ESG (e.g., labor treatment in the supply chain). In fact, material issues often defy neat buckets. Throughout this report, we explore how we believe our responsible investment practices have contributed to risk mitigation and value enhancements – ultimately delivering competitive client outcomes.

Secondly, the responsible investment space has continued to grow more complex. This is driven by the fact that many ESG considerations—the likes of responsible supply chains, climate change and nature—are inherently complex. Layer on emergent frameworks (like the TNFD and ISSB) and regulation (like the EU's Sustainable Financial Disclosure Regulation, or SFDR) and we have a space that is deep in a chapter of development, demanding attention from GPs and LPs alike.

As we navigate complexity, I am heartened by the degree of constructive support across the private markets investment community to find solutions, clarify best practices and seek efficiencies. We strive to actively contribute to our community as discussed throughout this report.

Thirdly, 2023 was a year in which the average global air temperature compared with pre-industrial levels (running average over 365 days) breached 1.5°C. This was paired with the highest ever recorded average sea temperatures and we bore witness to higher frequencies of extreme weather events globally. As a result, financing, owning and operating any business or asset is facing a changed risk profile, which must be appropriately priced and complemented with intentional plans for risk mitigation and adaptation.

These are fundamental investment issues. At StepStone, we are inspired by the breadth of activity we observe across private markets seeking to address climate change. The venture capital sector, in particular, is vibrating with solutions looking to decarbonize our world, while asset classes from real estate to infrastructure to private equity are progressively rising to the challenge to drive sustainability. I hope you too are inspired by the case studies curated in this report.

Together,

Suzanne Tavill,
Partner and Global Head of Responsible Investment

Our Approach

RI in Our Invest Philosophy

Responsible investment is a central component of our fiduciary duty to clients.

We believe that incorporating RI principles enhances our ability to evaluate investment opportunities in terms of forward-looking, risk-adjusted returns and helps safeguard and maximize overall value for our clients. Central to our approach is the consideration of relevant ESG risks and opportunities. These factors guide our stewardship efforts, helping us to define the areas where active engagement may be necessary or appropriate. This extends to both our discretionary and advisory clients, where ESG integration is applied to our investments across our asset management and service provider activities.

STEPSTONE'S INVESTMENT PHILOSOPHY

Customized Portfolio	Shared Values	Active Management	Common Goals
Tailor portfolios to accommodate clients' individual investment goals.	Entrust capital with managers we know and trust, and whose strategies fit prevailing market conditions.	Focus on risk-adjusted returns.	Seek out investments where GP and LP interests are aligned.
Contrarian	**Targeted Approach**	**Responsible Investment**	**Rigorous**
Be selective and opportunistic; do not follow the crowd.	Capitalize on specialization by favoring focused strategies; do not over-diversify.	Consider the ESG risks and merits of our investments.	Use a combination of thorough macro-, manager-, and asset-level analysis for opportunities that we are positioned to capture due to strategic relationships or access to advantaged information.

Our Investment Strategies

Access

Selectivity

Diversification

RESPONSIBLE INVESTMENT APPROACH

Investment Focus
RI is an investment consideration. Incorporating relevant ESG and climate risks and opportunities into our due diligence aligns with StepStone's focus on pecuniary returns for clients.

Tailored Approach
Given the broad range of RI investing opportunities, StepStone can support client financial and nonfinancial goals, e.g., aligned with the UN Sustainable Develoment Goals (SDGs).

Best Practice
StepStone pursues and aligns with best practice frameworks and standards—such as the PRI and SASB. StepStone works to further the latest thinking in the investment ecosystem.

Advocacy
StepStone prioritizes advocating for the adoption of responsible investing standards and practices across private markets.

As one of the largest allocators of private markets capital, we have become the strategic partner of choice to a peerless network of GPs. They offer us access to compelling opportunities across our primary, secondary and co-investment practices.

Through our global platform and over 6,000 annual GP meetings, we are able to see more of the markets and gain greater knowledge of managers, funds and underlying portfolio companies. The depth and rigor of this proprietary data give us an informational edge, allowing us to more quickly identify and respond to high-quality value or arbitrage opportunities.

The breadth of StepStone's global platform and the depth of our specialized coverage teams reveal compelling opportunities across a spectrum of asset classes, territories, managers, risk/return profiles and vintages–while still maintaining pricing discipline.

Primary Investments *We are in on outperformers*	**Secondaries** *Worldwide reach and world-class research give clients the information edge*	**Co-Investments** *Our relentless sourcing reveals a flow of rare opportunities*	**Direct Investments** *Capitalizing on core strengths*
Through an investment approach entailing rigorous research and analysis across multiple sectors, we find select GPs whose strategies, resources and philosophies outperform the market and meet our clients' needs.	Through the scale and specialization of our global platform, StepStone's secondaries practice captures inefficiencies and dislocations to build investment opportunities and portfolios designed to offer attractive risk-adjusted returns.	Through our extensive GP relationships, StepStone's co-investment practice extracts and activates the opportunities that diversify portfolios and may generate attractive risk-adjusted returns.	Our global footprint, proprietary data and deep GP relationships enable StepStone's Venture Capital and Growth Equity's direct investing practice to deploy capital at scale and establish even more meaningful collaborations.

The Responsible Investment Process

We have designed a five-stage RI process that applies across our asset classes. This process forms the foundation of our approach to systematically integrate ESG and stewardship considerations into every stage of the investment journey, with the ultimate aim of adding value where applicable and protecting the value of the money we invest on behalf of clients.

How we make investment decisions informed by ESG and stewardship considerations

There are a broad range of ESG factors that we may consider, subject to materiality, across our investments. We generally focus on the following three areas within our ESG due diligence and stewardship considerations:

Climate Change	Diversity, Equity and Inclusion	Human Rights (including modern slavery)
Before making investment decisions, we conduct thorough due diligence and seek to engage with GPs on climate-related matters where material risks and opportunities are identified. These engagements may include a specific focus on evaluating their policies and processes for managing climate-related risks and opportunities. To learn more about our approach, please refer to page 73 in Climate Management Across our Investments.	We evaluate GPs' DEI processes and performance at both the firm and investment level during due diligence. We engage and support GPs in addressing material DEI-related issues after investing, sharing best practices and assisting GPs in designing DEI strategies. We provide GPs with resources and support, including helping with the implementation of recruitment and retention initiatives and tracking DEI metrics.	We raise specific questions about GPs' approaches to human rights, including modern slavery, human trafficking and forced labor, during the due diligence process. We enquire about their policies and processes for addressing these risks in both their operations and supply chains, their history of critical incidents related to human rights, and whether human rights are a priority focus area for stewardship. For co-investments and direct secondaries, we focus on due diligence undertaken at the asset level with respect to exposure to human rights-related risks.

PHASE 1
Early Evaluation of Investment Opportunities

PHASE 2
Due Diligence

PHASE 3
RI Workgroup and Committee Review of Investment Memorandum

PHASE 4
Investment Committee Decision

PHASE 5
Post-Investment Management: Monitoring, Engagement and Reporting

Early Evaluation of Investment Opportunities

We seek to conduct early evaluations of potential investments that may carry elevated ESG risks, such as those related to modern slavery, or that exhibit exposure to a sensitive sector. Prior to conducting formal due diligence, our investment team is responsible for communicating any potential exposure to risk to the relevant RI workgroup and the RI Committee. Investments in particularly sensitive or high-risk sectors may face early-stage reassessment or, in some instances, we may choose not to proceed with the investment.

Due Diligence

Our multi-dimensional due diligence approach is designed to distinguish the most attractive opportunities, offered by the world's leading managers, and seeks to deliver top-quartile returns. Key to our approach is our ESG due diligence process, which is carried out by our specialist investment professionals who are supported by proprietary tools and our RI workgroups and RI team.

ESG Scorecard

Our ESG Scorecard is a proprietary tool for assessing primary investments. It facilitates comparative analysis of GPs against their industry peers and monitors their performance trends over time. The score is derived from an evaluation of five key focus areas, each rated on a scale of one to four. Insights inform our decision-making and help us stay aligned with our stewardship priorities as we invest.

ESG SCORECARD FOCUS AREAS

Policy	Accountability	Investment Process	Reporting	Strategy
• Adoption of RI/ESG policy • Alignment with recognized standards (i.e., PRI, TCFD, SASB) • Policy revisions and annual updates • Climate Change and DEI policies	• Integration into responsibilities of investment professionals • Investment Committee oversight • Annual training and capacity building	• ESG due diligence as a standard part of Investment Committee memorandums • Post-investment ESG value creation initiatives, as evidenced by case studies	• ESG regularly addressed at Annual General Meetings and Limited Partner Advisory Committees • Establishment of a critical ESG incidents process • Tracking of ESG metrics and inclusion in periodic reports or separate sustainability reports	• Indication whether sector(s) of focus may generate positive or negative environmental or social outcomes

Investment Decisions Backed by Our Proprietary Software

We use advanced technology to inform our investment decisions and track ESG metrics. Our proprietary software platforms, SPI Research and SPI Reporting, help us integrate ESG considerations across our investment process, including due diligence. Please refer to page 24 in Responsible Investment Governance for more information.

Investment Review and Investment Committee Decision

Each investment we make is subject to review by the relevant RI workgroup. Through this active feedback process, we seek to achieve consistent quality in our due diligence. We then deliver RI due diligence findings to the RI Committee for approval. This is a prerequisite before any investment proposal can be presented to the relevant Investment Committee (based on asset class).

We document the results of RI due diligence in investment memoranda, which we present to the respective Investment Committee members. As necessary, the Investment Committees discuss the identified material ESG risks and the effectiveness of GPs' integration of ESG and stewardship practices in addressing those risks. In cases where the committee determines that risks cannot be adequately mitigated, they may vote against the investment proposal. If the committee believes that risks can be mitigated, StepStone may require further action to be taken before finalizing the transaction. This may include conducting asset-level reviews by external specialist consultants or negotiating ESG-related side letters with the GP.

Post-Investment Management

After we make an investment, we seek to proactively engage with GPs to enhance their performance. This engagement takes various forms, including board seats, observer roles, active participation in Annual General Meetings, involvement in Limited Partner Advisory Committee meetings and conducting meetings with GP leadership. Please refer to page 54 in Engagement and Collaboration for more information.

ESG Integration Across Asset Classes

Private Equity

Designed to exceed expectations

Backed by our global reach, we create custom client portfolios using a disciplined approach defined by extensive research and analytics to source across the spectrum of private equity opportunities.

Our mission is to serve as a value-added, lifecycle partner to the venture managers and entrepreneurs shaping tomorrow. With an integrated program spanning seed to growth equity through primary, direct and secondary investments, we are among the largest and most active allocators to venture capital and growth equity in the world.

"We believe integrating material ESG considerations into private equity investment decisions is an important means for achieving sustainable financial returns. Evaluating ESG is not just a check-the-box exercise — it helps guide investment decisions towards a future where sustainability, responsibility and profitability intersect."

Kaitlyn Schmid
Associate, Private Equity

Private Equity GPs' Key Governance Practices[1]

Private Equity GPs who	2021	2022	2023
Have an RI policy	84%	81%	87%
Are PRI signatories	28%	36%	48%

Venture Capital and Growth Equity

Backing innovation to build a better world

Complementary VC and Growth Platform

We invest in venture funds of all stages, early- and growth-stage companies, alongside our managers and secondary opportunities. Each investment helps inform the other, capturing powerful data and strengthening our partnerships with venture managers and founders.

Total Capital Responsibility[2]	Investment Professionals[3]	Partners[3]	Average Overall Private Equity GP ESG Score (1-4 scale)[4]
$344B	165	32	2.5

Data includes Greenspring Associates metrics.

[1] Data is shown as of the year reported. Data is derived directly from GPs and is self-reported by them. Data is gathered from GPs through pre-investment RI due diligence and our post-investment monitoring campaign. StepStone may engage with GPs on data quality and/or completeness on a best-effort basis, but this may not be possible in all cases. Careful consideration of data is required as the data do not consist of all GPs that StepStone monitors. Time-series data may not contain responses from the same group of GPs across all years. New GP relationships will add to the GPs reporting in a given year relative to a prior year and some GPs do not report data to StepStone each year.

[2] Total capital responsibility equals AUM plus AUA and is presented as of December 31, 2023. Reflects final data for the prior period (September 30, 2023), adjusted for net new client account activity through December 31, 2023. Does not include post-period investment valuation or cash activity.

[3] Headcount as of December 31, 2023.

[4] Data reflects 2022-2023.

"As one of the largest allocators in VC globally, we are continuously seeking to evolve our approach to ESG integration and advocating for its adoption in the broader VC industry."

Dawn Powell
Principal, Impact

VC AND GROWTH EQUITY HIGHLIGHTS

Experienced Team

We are one of the deepest, dedicated VC and growth equity teams in the industry. Our Investment Committee is supported by a global team with resources spanning major innovation hubs and a proprietary data and technology platform.

75+ Investment Professionals

We are one of the world's largest and most experienced teams focused solely on VC and growth, offering a geographically diverse perspective.

Portfolio Impact

StepStone's dedicated Portfolio Impact team differentiates our capital by providing tangible value to GPs and portfolio companies through introduction to customers, partners, talent, financing sources and corporate development support.

Private Debt

Flexible solutions for illiquid debt markets

StepStone's Private Debt program leverages the firm's global platform to target privately negotiated debt transactions across corporate, real estate and infrastructure debt, helping clients build portfolios tailored to their needs and objectives, including RI-related requirements.

Our flexible, adaptive solutions cover illiquid and liquid debt, enabling us to build and manage tailored portfolios, balancing asset classes, capital structures and investment approach.

"Aligning our Private Debt investment offerings with client ESG priorities through robust due diligence and monitoring processes is a fundamental aspect of our approach. We believe integrating material ESG factors in our process provides key credit risk insights to support our decision-making."

Tamara Milosevic
Vice President, Private Debt

Private Debt GPs' Key Governance Practices[1]

Private Debt GPs who	2021	2022	2023
Have an RI policy	93%	96%	94%
Are PRI signatories	53%	76%	79%

Total Capital Responsibility[2]	Investment Professionals[3]	Partners[3]	Average Overall Private Debt GP ESG Score (1-4 scale)[4]
$57B	70+	17	2.1

[1] Data is shown as of the year reported. Data is derived directly from GPs and is self-reported by them. Data is gathered from GPs through pre-investment RI due diligence and our post-investment monitoring campaign. StepStone may engage with GPs on data quality and/or completeness on a best-effort basis, but this may not be possible in all cases. Careful consideration of data is required as the data does not consist of all GPs that StepStone monitors. Time-series data may not contain responses from the same group of GPs across all years. New GP relationships will add to the GPs reporting in a given year relative to a prior year and some GPs do not report data to StepStone each year.

[2] Total capital responsibility equals AUM plus AUA and is presented as of December 31, 2023. Reflects final data for the prior period (September 30, 2023), adjusted for net new client account activity through December 31, 2023. Does not include post-period investment valuation or cash activity. Private Debt AUM/AUA and approved amounts include both Infrastructure and Real Assets debt and Real Estate debt.

[3] Headcount as of December 31, 2023. The Private Debt investment team consists of 48 team members, and leverages the debt expertise of the firm's dedicated Real Estate, Distressed and Infrastructure professionals and partners, who are included in the headcounts presented.

[4] Reflects data from 2022-2023.

StepStone Real Estate

Opening doors to opportunity

StepStone Real Estate capitalizes on the synergies between our asset management and advisory practices, drawing on our deep market research and investment analysis to create compelling opportunities and tailored portfolios of fund investments, secondaries and co-investments for institutional investors worldwide.

As significant allocators of capital to real estate managers globally, StepStone has differentiated access to deal flow and information to conduct due diligence. Collaborating with top-performing managers, the first-hand experience of how they invest informs our strategic decisions.

"StepStone helps drive innovation and value creation within the real estate sector. Through our investments, we support projects that focus on environmental sustainability and community development, contributing to the evolution and improvement of the real estate industry."

Brendan MacDonald
Partner, COO, Real Estate

Real Estate GPs' Key Governance Practices[1]

Real Estate GPs who	2021	2022	2023
Have an RI policy	91%	92%	97%
Are PRI signatories	46%	53%	62%

For the second consecutive year, StepStone Real Estate was awarded Investment Consultancy of the Year at the IPE Real Estate Global Awards 2023 ceremony.

Total Capital Responsibility[2]	Investment Professionals[3]	Partners[3]	Average Overall Real Estate GP ESG Score (1-4 scale)[4]
$183B	60	9	2.9

[1] Data is shown as of the year reported. Data is derived directly from GPs and is self-reported by them. Data is gathered from GPs through pre-investment RI due diligence and our post-investment monitoring campaign. StepStone may engage with GPs on data quality and/or completeness on a best-effort basis, but this may not be possible in all cases. Careful consideration of data is required as the data does not consist of all GPs that StepStone monitors. Time-series data may not contain responses from the same group of GPs across all years. New GP relationships will add to the GPs reporting in a given year relative to a prior year and some GPs do not report data to StepStone each year.

[2] Total capital responsibility equals AUM plus AUA and is presented as of December 31, 2023. Reflects final data for the prior period (September 30, 2023), adjusted for net new client account activity through December 31, 2023. Does not include post-period investment valuation or cash activity. Real Estate AUM/AUA includes both Real Estate equity and debt.

[3] Headcount as of December 31, 2023.

[4] Data reflects 2022-2023.

Infrastructure and Real Assets

Building solutions for a growing sector

Broad access to the infrastructure and real assets market provides clients with high-quality investment opportunities. This helps diversify portfolios while offering stable returns and the potential for income generation and capital appreciation.

Our platform enables access to a large pool of opportunities across primary fund investments, secondaries and co-investments through fully customized solutions and tailored products, with an emphasis on ESG integration designed to address material risks and opportunities. We provide deep experience across major infrastructure and real assets sub-sectors, strategies and geographies, introducing our clients to attractive secular themes across markets.

"The long-term nature of our asset class, combined with its real-world impact on the natural environment and the communities that they operate in, means ESG integration is intrinsically linked to many aspects of our work. StepStone Infrastructure and Real Assets represents one of the largest, most experienced teams and is ideally positioned to support our clients with deep engagement across the sector."

Riaan Potgieter
Principal, Infrastructure and Real Assets

Infrastructure and Real Assets GPs' Key Governance Practices[1]

Infrastructure and Real Assets GPs who	2021	2022	2023
Have an RI policy	100%	100%	100%
Are PRI signatories	92%	93%	94%

Total Capital Responsibility[2]	Investment Professionals[3]	Partners[3]	Average Overall Infrastructure and Real Assets GP ESG Score (1-4 scale)[4]
$86B	70	11	3.3

[1] Data is shown as of the year reported. Data is derived directly from GPs and is self-reported by them. Data is gathered from GPs through pre-investment RI due diligence and our post-investment monitoring campaign. StepStone may engage with GPs on data quality and/or completeness on a best-effort basis, but this may not be possible in all cases. Careful consideration of data is required as the data does not consist of all GPs that StepStone monitors. Time-series data may not contain responses from the same group of GPs across all years. New GP relationships will add to the GPs reporting in a given year relative to a prior year and some GPs do not report data to StepStone each year.

[2] Total capital responsibility equals AUM plus AUA and is presented as of December 31, 2023. Reflects final data for the prior period (September 30, 2023), adjusted for net new client account activity through December 31, 2023. Does not include post-period investment valuation or cash activity. Infrastructure and Real Assets AUM / AUA includes both Infrastructure and Real Assets Equity and Debt.

[3] Headcount as of December 31, 2023.

[4] Data reflects 2022-2023.

Integrating Material ESG and Stewardship Considerations into Our Investment Decisions: Our Work in Practice

The following case studies highlight outcomes that occurred as a result of StepStone integrating ESG and stewardship considerations during due diligence in 2023. This includes an example of an asset being removed from a portfolio prior to making an investment following due diligence.

CASE STUDY

Integrating Human Rights and Environmental Considerations into Private Equity Investment Decisions

Context

In 2023, we had the opportunity to co-invest alongside a GP in a business operating in the fashion sector. As our team evaluated the opportunity, we identified the significant risks related to labor and resource use that exist within the sector and its potential impact on the overall health of employees, stakeholders and the environment.

What Happened

As part of investment due diligence, our deal team completed a thorough ESG analysis of the opportunity, including:

- Review of third-party ESG analysis from the GP and management.
- Review of third-party ESG analysis from a leading ESG consultant.
- Conducting media scans and desktop research on the company and its supply chain.
- Conducting pre-investment engagement with the GP regarding the ESG risks identified.

The results of our due diligence identified material ESG risks primarily related to supply chain management. While the company did have a supplier code of conduct, we did not identify a clear or consistent onboarding process for suppliers. Such practices are important to screen suppliers and confirm they have proper procedures in place to mitigate risks. Our deal team also understood it was difficult for the company to evaluate its supply chain beyond its Tier 1 suppliers, and even among this group, there were challenges to conducting living wage analyses and audits of pay practices.

During media analysis, we identified numerous allegations with respect to potential human rights violations, in addition to concerns related to responsible sourcing. Taking a longer-term view, we also highlighted the growing regulatory risks this presented, noting the increase in labor- and human rights-related laws that have been adopted or are being adopted around the world, affecting both domestic and foreign businesses and their supply chains. There was limited evidence that management was directly and adequately addressing these issues to our standards.

With respect to environmental management, StepStone further considered the vast resource use and waste generation common to many businesses operating in the industry, including the investment opportunity. Limited evidence was found of the company's commitment and action to follow best practice measures to manage such risks. More broadly, we also considered the growing consumer demand for sustainable products and the shift in consumer sentiment toward "slow fashion," which presented longer-term commercial risk related to the investment opportunity.

Outcome

Following due diligence, we believed the ESG risks identified presented material investment concerns, potentially impacting the longer-term performance of the business and its value at sale. As a result of these concerns and the limited evidence of the company's plans to mitigate them, we proceeded to decline the investment opportunity.

CASE STUDY

Integrating Safety and Environmental Considerations into Private Debt Investment Decisions

Context
In 2023, StepStone evaluated a private debt co-investment opportunity in a supplier of products for the polymers industry. While reviewing the transaction and conducting due diligence, the Co-Investment Committee flagged its concerns around key ESG risks, which the deal team explored further.

What Happened
Because the business involved the use of chemicals and hazardous materials, ESG due diligence focused on the potential safety and environmental risks that could impede future value creation. Notably, our deal team identified the risk of explosions or other incidents occurring as a material concern (e.g., during transportation of chemicals, in the event chemicals are not maintained correctly or when facilities are undergoing maintenance). Potential impacts included serious occupational health and safety incidents (e.g., individuals getting injured by debris or by direct exposure to a chemical), environmental issues (e.g., spill overs) and business interruptions (e.g., production is impacted).

To investigate further, the deal team conducted a meeting with the company's senior team to better understand the risks related to its handling of chemicals and hazardous materials and how it addressed them. The results outlined multiple risk mitigation measures in place, including:

- The company had implemented sophisticated controls designed to protect against explosion risk during transportation and chemical handling, including dedicated inventory classification and process control systems.
- In the unlikely event an incident occurs, the company had established structures and processes to contain such incidents (e.g., production facilities had been purposefully constructed to limit incidents to a specific isolated area, reducing the risk of spill overs).
- The company had a certified quality management system and globally harmonized system labeling. The company also provided documentation showing it maintained required certifications relating to product and facility safety and complied with relevant regulations related to chemical compliance.
- The company had adequate insurance coverage in the event an incident impacts production.

Outcome
Following our due diligence and engagement, our deal team determined the risks associated with chemical and hazardous materials were appropriately addressed and mitigated by the company to satisfy our investment criteria. StepStone proceeded to move forward with the investment.

On a post-investment basis, we continue to receive updates from the company periodically and intend to utilize these touchpoints to engage on ESG risks where relevant.

CASE STUDY

Adjusting Deal Structure to Accommodate Environmental Risk

Context

In 2023, we evaluated a real estate investment opportunity alongside a manager to acquire interests in a diversified portfolio of logistics properties across the U.S. As part of the ESG due diligence process, our Real Estate team:

- Required the manager to complete a comprehensive due diligence questionnaire (comprising assessments at the manager, operator and portfolio level), which we subsequently reviewed.
- Completed a review of the manager's own ESG evaluation and third-party environmental assessment reports.
- Conducted site visits for over 70 percent of the portfolio properties as part of wider due diligence, which included an ESG component.

During due diligence, we discovered that one of the portfolio properties had been built on a former landfill where methane gas was still being released despite prior remediation efforts. As a result, StepStone and the manager required a compulsory secondary review of the asset and brought in external environmental counsel to complete the review.

Separately, the manager also completed a screening of the portfolio for forward-looking physical climate risks, which identified the potential for storm damage at several sites.

Outcome

Upon receiving assessment results from the environmental counsel, StepStone and the manager negotiated the removal of the higher-risk asset from the portfolio. Our decision was based on concerns regarding the risk of future remediation requirements and their potential negative impacts on the liquidity of the asset at exit.

Excluding this asset, we believed the investment opportunity presented attractive risk-adjusted return potential, high-quality new construction and diversification at the asset, market and tenant level, among other merits. In addition, the portfolio has several positive features that support the decarbonization of the real estate industry. For example, certain assets in the portfolio include roof-mounted solar panels and EV charging stations, from which additional power could be sold to the grid and/or tenants.

From our diligence, we also observed the strength of the manager's ESG policies and processes, which enabled us to gain comfort in their ability to manage ESG risks within the portfolio. Notably, to mitigate the physical climate risks identified, the manager had outlined clear strategies that included engaging with property managers to implement operational resilience practices (e.g., emergency management plans, routine inspections and flood protections).

Following the exclusion of the higher-risk asset, StepStone proceeded with the investment opportunity. We expect to continue engaging with the manager during the post-investment phase and will serve as an additional resource to assist in decision-making, including with respect to ESG matters.

Addressing Market-Wide and Systemic Risks

We believe addressing market-wide and systemic risks is crucial for the long-term sustainability of investments and promotes a well-functioning financial system.

Particularly as private market investors, where investment time horizons tend to be longer, we seek to identify and manage these risks throughout our investment process, notably during our post-investment engagement and stewardship efforts.

We employ a distributed approach to risk management to identify market-wide and systemic risks. Within the context of portfolio risk, our efforts to safeguard our investments are led by our Head of Risk and the Head of Research and Portfolio Management, both of whom are members of our RI Committee. Our approach to portfolio risk management and the roles of these individuals are discussed further on page 15 in Risk Management, Ethics and Integrity.

With respect to addressing risks in the context of stewardship, the day-to-day responsibility to identify and manage these risks at the individual investment level is held by the investment team, with support from the RI team and workgroups. This process begins during the pre-investment stage, where we conduct thorough due diligence, encompassing the identification and analysis of different types of material risks, including market-wide and systemic risks. This assessment influences our investment decision-making. Once an investment is made, ongoing risk monitoring takes place throughout the holding period, involving regular engagements with GPs.

More broadly, beyond our internal business, we believe we play an important role in promoting a well-functioning financial system through our thought leadership, external collaborative efforts with peers and engagements with other stakeholders, including regulators. Our investment and RI professionals stay attuned to the latest developments in the market, frequently conduct and disseminate research and collaborate externally to identify and respond to market-wide and systemic risks to improve the broader market. Our role, efforts and effectiveness in promoting a well-functioning financial system are discussed throughout this section and in greater depth in Engagement and Collaboration and Climate Management Across Our Investments.

At StepStone, we consider the following as examples of key ESG-related risks:

- **Climate Change**
- **Biodiversity**
- **Human Rights**
- **Cybersecurity**

In the following pages, we delve deeper into our approach to identifying and addressing human rights and cybersecurity risks throughout our investment process. Please refer to Climate Management Across Our Investments section for our approach to climate change and biodiversity.

Cybersecurity

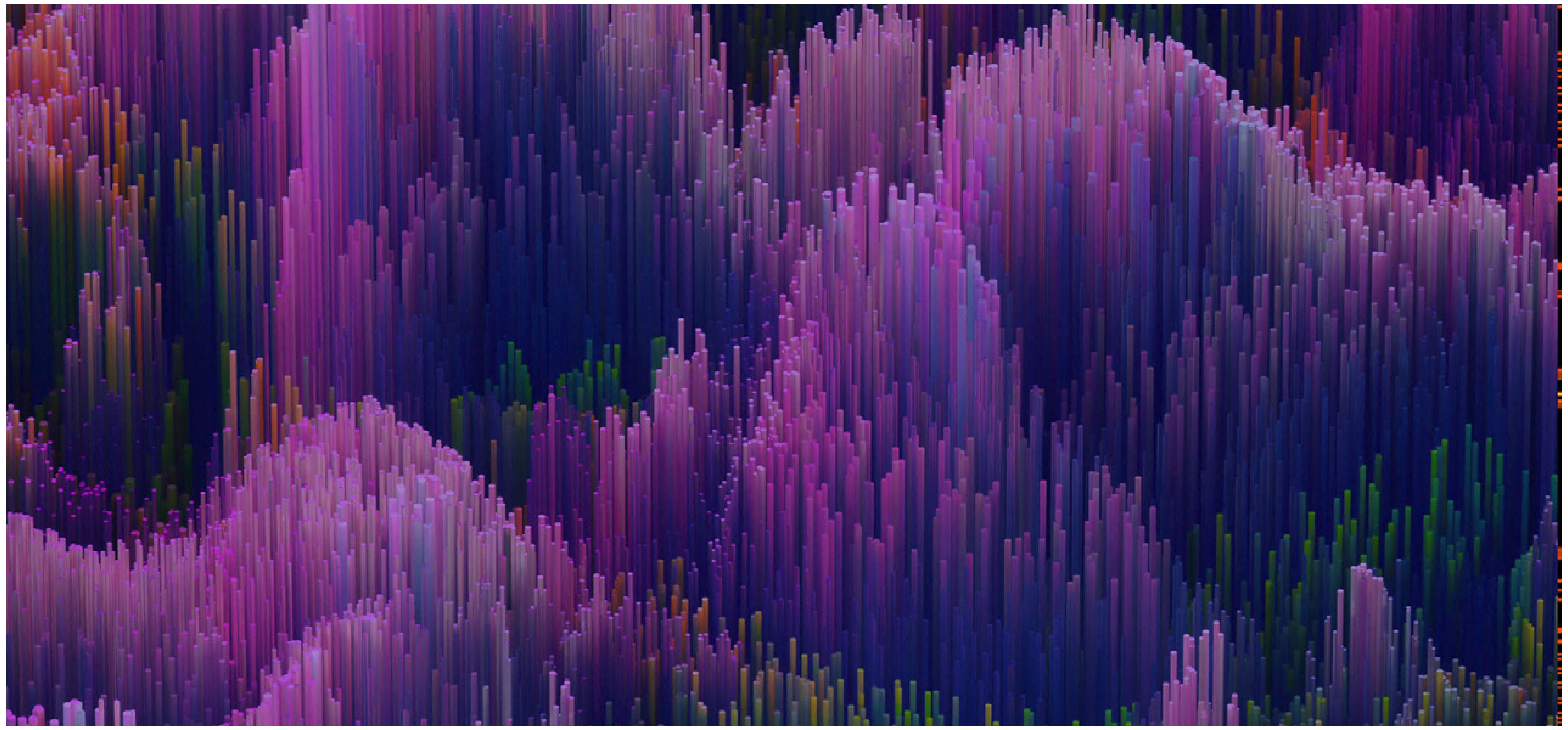
We believe addressing cybersecurity risks as investors is crucial to protect the value of investments and improve the overall functioning of the financial market, given the significant implications associated with cyber-related issues for the industry. Cybersecurity incidents may include intentional attacks, such as a hacker attack, ransomware, virus or worm, and could involve bad actors gaining unauthorized access to information systems for purposes of misappropriating assets, disclosing or modifying sensitive or confidential information, corrupting data or causing operational disruption. In recent years, there has been a significant increase in ransomware and other hacking attempts by cyber-criminals. Our funds' portfolio companies and GPs we invest in and alongside face cyber-related risks, and such funds may invest in strategic assets having a national or regional profile or in infrastructure assets that face a greater risk of attack. By actively addressing cybersecurity risks, we help reduce vulnerabilities and enhance resilience against potential cyber threats. Our approach focuses on managing cyber risk within our operations and within investment due diligence, decision-making and engagement. To learn more about how we address cybersecurity risk within our operations, please refer to page 17 in Cybersecurity.

Addressing Cybersecurity Risks at the Investment Level

Given the increasing sophistication of cyber threats, during the reporting year, we continued to monitor the cyber preparedness of GPs and assets throughout the due diligence, monitoring and engagement process. We identify potential issues related to cyber risk management, data collection and data retention and use practices. For primaries, similar to our approach to analyzing other risks during due diligence, we include questions about cybersecurity to assess the policies, processes and performance of GPs in addressing this risk. After investing, we maintain ongoing monitoring of cyber-related issues and seek to engage with GPs and assets when relevant risks and opportunities arise. For co-investments and direct investments, we give businesses that manage sensitive data (such as within healthcare and consumer) increased attention.

Operational Due Diligence (ODD): A Focus on Cybersecurity

Our dedicated ODD team oversees operational assessments across our global platform, helping to better serve our clients by reducing operational risk. Within primaries, StepStone's operational due diligence process occurs alongside our investment due diligence process, where our ODD team works with managers to identify, measure and assess relevant operational risks and provides support to help manage these risks. This assessment is independent and contributes to investment memos for committee approval. IT, including cybersecurity, is a key focus area for our ODD team, which requires the manager to provide adequate responses to various IT-related questions to gauge the stability, breadth and capabilities of their team. In 2023, cyber-related topics ranked among the top operational deficiencies identified.



Human Rights

As responsible stewards of capital, we believe investors need to take proactive measures to identify, assess and manage human rights risks, such as modern slavery and human trafficking, within investments. Violations of these rights can have tangible impacts on investments and returns. For instance, companies facing human rights allegations may face consumer backlash, reputational damage and potential legal liabilities. By actively working to mitigate human rights risks, we seek to safeguard investments while upholding our principles.

Within StepStone, we consider the potential risks that could arise within our operations, corporate supply chain and the investments we advise on or manage on behalf of our clients. To address these risks, we have adopted a Modern Slavery Statement, which outlines how we seek to combat modern slavery and human trafficking across our business and investment activities. This includes:

- Assessing potential risks associated with modern slavery practices across our operations, supply chain and investment portfolio to promote transparency and accountability.
- Establishing policies and practices that explicitly address modern slavery and human trafficking, reinforcing our focus on upholding human rights.
- Extending our due diligence efforts to our supply chain by working with our suppliers and partners to promote ethical and responsible business practices.
- Conducting employee training to enhance awareness. Over the past three years, we have conducted more than 15 sessions on ESG, responsible investment and modern slavery, including firmwide and specialized training for different teams.

Addressing Human Rights Risks Within Investments

During the due diligence process for primaries, we raise questions about the GP's approach to human rights. For example, we inquire about the GP's policies and processes to address human rights risks in their investments, the history of critical incidents (at both the GP and portfolio company level), including those related to human rights. We also ask about the GP's priority stewardship focus areas and whether human rights form part of these. For co-investments and direct investments, we may conduct additional due diligence at the asset level to assess human rights-related risks and factor the insights gathered into our investment decisions. The case study on the following page illustrates our approach in practice.

Additionally, during the reporting year, we participated in a PRI workshop, "Human rights in private markets: access to remedy," with seven other private markets firms. The aim of the workshop was to inform the PRI's new guidance on how private market investors can implement the UN Guiding Principles on Business and Human Rights. Topics included the role investors can play in enabling access to remedy for human rights impacts in an investment's value chain.

CASE STUDY

Mitigating Modern Slavery Risks in an Energy Infrastructure Investment Opportunity

Context

In 2023, StepStone Infrastructure and Real Assets were presented with an infrastructure co-investment opportunity alongside a GP in an energy storage system asset. Among other considerations, this investment stood out as an opportunity to invest in the energy transition arena, which we believe presents immense investment potential bolstered by the decreasing costs of renewable energy infrastructure and supportive global regulation toward green energy.

This investment opportunity represented a critical piece of infrastructure to support the reliability of the local energy grid, which would contribute significantly to the respective region's net-zero aspirations. Projections have indicated that over 3,000 megawatts (MW) of renewable energy would be enabled by the investment during the holding period, equivalent to averting over 8 million tCO_2e.

At the same time, the industry presents potential human rights-related risks, notably within the supply chain. As a result, StepStone's due diligence included a focus on assessing human rights risks.

What Happened

The deal team conducted ESG due diligence on the opportunity, which included reviewing third-party assessment reports, the GP's analysis and engaging in meetings with the GP and management team to understand the potential risks further. Upon completion of due diligence, the team determined that human rights risks were appropriately mitigated due to the following:

- The asset had implemented thorough risk management practices concerning human rights. Notably, the provider of fuel cells has established a robust supplier code of conduct, which included stringent expectations for suppliers' compliance with internationally recognized ESG standards and applicable laws, alongside transparency in reporting. The provider also had dedicated employees based within its international sourcing markets responsible for conducting spot checks on direct and indirect supply chains (extending beyond Tier 1 suppliers). Additionally, we found no records of modern slavery reports or investigations within the asset's supply chain.
- From a contractual standpoint, the supply agreement with the provider included a requirement that it ensure that each sub-contractor engaged will take all reasonable steps (including reasonable due diligence and staff training programs) to help ensure there is no modern slavery in the asset's or its subcontractors' operations or supply chains and keep appropriate records demonstrating the reasonable steps taken.

Adding further confidence to the investment opportunity was the GP's extensive experience as a specialist renewables manager. Their specialization, coupled with the support of a team comprising technical and engineering professionals, and the wide reach of their platform, provided additional assurance.

Outcome

To enhance our comfort level with the risks posed, we implemented a side letter that explicitly incorporated modern slavery. We use side letters in select scenarios to communicate our expectations and/or requirements on stewardship and ESG integration, among other matters. In this case, the side letter outlined a framework wherein, if the GP were to become aware of any material modern slavery concerns within the portfolio company, they would consult with us to reach a mutually agreeable solution that addresses any potential breaches of law, regulations or internal policies.

Post-investment, our ongoing engagement with the GP remains a priority, with a particular focus on understanding modern slavery-related developments. The GP is responsible for actively overseeing the construction process and managing the environmental and social risks typical for a project of this nature. The asset continues to refine their policies to enhance project management, including the development of a climate risk and vulnerability assessment.

Impact Investing

We believe impact investing in private markets is well positioned to unlock compelling opportunities aligned with the UN SDGs, including those related to decarbonization, empowerment, natural capital, health and sustainable communities.

Our integrated platform enables us to offer clients flexibility and access to a wide range of private market impact opportunities, allowing us to create customized, high-quality investment programs that align with selected impact goals. We understand that clients have varied impact objectives that often align with their stakeholders' interests. By applying a specialized layer of impact due diligence, we can identify authentic and high-quality impact investments.

We believe our specialized approach provides the following advantages:

Global Platform, Global Sourcing

Robust Financial and Impact Analysis

Prudent Investment Selection

Impact Playbook to Support Investments

Comprehensive Impact Reporting

[1] As of December 31, 2023.

$20B+
Total Capital Responsibility[1]

900+
GP Relationships[1]

1,200+
Funds in SPI[1]

StepStone Impact Theme Mapping

Our proprietary Impact Theme Mapping process identifies what we believe are the most compelling opportunities to generate positive social and environmental outcomes coupled with attractive risk-adjusted returns. Our mapping aligns with the 17 UN SDGs and captures investments across the following five themes.

ENVIRONMENT		SOCIAL		
Energy Transition	Natural Capital	Empowerment	Health	Sustainable Communities

We employ specific impact due diligence questionnaires, an impact due diligence approach and tailored monitoring and reporting processes to combat impact washing and greenwashing. We also align with industry standards and respected organizations in the impact space.

ALIGNED STANDARDS AND ORGANIZATIONS

SUSTAINABLE DEVELOPMENT GOALS	IMPACT MANAGEMENT PROJECT	IRIS+	Operating Principles for Impact Management

In addition to performing ESG due diligence for our primary investments, we conduct a dedicated impact evaluation and scoring for impact and thematic investments under consideration, focusing on five key dimensions.

FIVE DIMENSIONS OF IMPACT EVALUATION AND SCORING	
Impact Potential	GP Alignment
Impact Performance	Impact Management
Impact Measurement and Reporting	

For co-investments and secondaries, we perform impact due diligence to assess the fund and/or asset-level fit with our proprietary Impact Theme Mapping and across our key areas of diligence.

We customize our impact monitoring and reporting with additional strategy-specific data points that meet client reporting requirements. We may also utilize side letters when investing in funds managed by GPs that are developing or fine-tuning their impact processes to align with our standards. In collaboration with the GP, we identify and determine the relevant impact metrics that align with the strategy of the investment. We view our engagement on impact metrics as one of our value-added contributions to the industry.

To address climate risks and opportunities, we tailor portfolios to align with specific climate change objectives while delivering robust, risk-adjusted returns. This mapping also allows us to identify investment opportunities at both fund and asset levels, filtering choices that match our clients' impact targets.

CASE STUDY

Addressing Global Challenges with Giant Ventures

Giant Ventures ("Giant") is a multi-stage thesis-driven venture capital firm focused on companies that aim to create a more sustainable, healthy and equitable planet. The GP invests in founders using technologies to solve challenges pertaining to climate change, human health and inclusive capitalism.

StepStone has been an investor in the GP since 2020. The GP's strategy aligns with multiple StepStone impact themes within energy transition, natural, capital, health and empowerment. StepStone's assessment identified multiple merits, including the extensive experience of the team and its investment track record.

StepStone has engaged regularly with the GP since investing, including on further enhancement of its ESG practices. During the reporting year, the GP revised its ESG policy, to which StepStone provided feedback and Giant adopted the finalized policy.

With respect to impact management, Giant has a well-developed impact framework from sourcing to due diligence to post-investment management, led by partners with significant experience in the field. In particular, the GP seeks continuous improvement of its portfolio companies' impact calculations and hosts periodic reviews to enhance its methodologies and develop new metrics. StepStone welcomes these practices, which we consider advanced for the venture capital industry.

Engaging Clients on ESG

We are focused on addressing our clients' ambitions, needs and overall preferences, including with respect to ESG integration and stewardship.

From the outset, we seek to collaborate closely with our clients to gain a comprehensive understanding of their goals. This knowledge forms the foundation for tailoring bespoke mandates that may incorporate various elements such as ESG-related exclusions, priority areas for ESG and impact, and specific monitoring and reporting requirements.

To continue to meet our clients' expectations, we actively seek their feedback through multiple communication channels, employing both structured and ad hoc settings. We believe each channel offers specific advantages that enable us to effectively understand and address our clients' needs, which we highlight on the following page. To establish a robust feedback loop and facilitate client engagement, we use these channels to receive feedback, communicate back and deliver educational content and awareness on ESG integration and stewardship.

CLIENT ENGAGEMENT CHANNELS

PURPOSE OF CHANNEL	COMMUNICATION CHANNEL	CHANNEL'S USE/EFFECTIVENESS	FREQUENCY
Communicate information to clients and gain their feedback	**Annual General Meetings (AGM)**	Among other purposes, our annual 360 Investor Conference provides an opportunity to formally communicate notable investment and stewardship activities to clients and receive their feedback on these matters. We view this channel to be particularly effective for sharing platform-wide updates applicable across our client base.	Annual
	Routine Meetings/ Topic-Specific Meetings	These meetings enable us to regularly share investment and stewardship updates specific to an individual client and mandate and directly receive their feedback in a one-to-one dialogue. We have found this to be an effective approach to understand specific needs of an individual client with respect to investment and stewardship.	Quarterly/Ad hoc
	Email Updates	Communicating with our clients through email updates help us keep them informed on our stewardship activities and receive feedback in real time.	Ad hoc
	Requests for Proposals (RFPs)	We communicate information on our investment and stewardship activities via relevant RFPs. RFPs also allow us to learn which topics/areas are of most importance to our clients and enable us to adapt our processes accordingly.	Ad hoc
Gain feedback from clients	**Client Questionnaires**	We receive feedback from clients and understand their needs through periodic questionnaires related to ESG integration and stewardship.	Ad hoc
Communicate information to clients	**SPI Research**	SPI Research enables clients to expand their market coverage by accessing the collective knowledge of StepStone's investment team. Our professionals also use this technology to collect and develop their qualitative and quantitative thoughts on managers (including in relation to ESG and stewardship). Refer to page 24 for further information.	Continuously updated

CLIENT ENGAGEMENT CHANNELS			
PURPOSE OF CHANNEL	COMMUNICATION CHANNEL	CHANNEL'S USE/EFFECTIVENESS	FREQUENCY
Communicate information to clients	**SPI Reporting**	SPI Reporting supports investment monitoring and portfolio management and enhances transparency by providing users with a fast and intuitive interface, as well as readily available online access to portfolio data. Refer to page 24 for further information.	Continuously updated
	Periodic Reporting	We provide quarterly reports to clients with updates on investment activity. Within these, StepStone discloses critical ESG incidents where relevant, which may include information on our stewardship activities to resolve incidents.	Quarterly/Annual
	Annual Reporting	Our annual RI-related reporting provides information about our ESG integration and stewardship activities. For the reporting year 2023, we have integrated our ESG, DEI, climate and UK Stewardship Code Report into one RI report for clients to digest key updates in an efficient manner. Additionally, we continue to submit our annual PRI Transparency Report.	Annual
	Whitepapers	We produce whitepapers each year that cover relevant investment and RI topics. These papers pool our knowledge of the private markets and feature insights from our investment professionals.	Ad hoc
	StepStone "Reflections on Private Markets" Podcast	We use our podcast to engage in dialogue on an array of RI topics, including those covered in our whitepapers and others relevant to the private markets. This is a digestible way to share information that can be accessed on the go.	Ad hoc

CASE STUDY

Launch of RI Dashboards to Communicate ESG Insights to Clients

In 2023, StepStone began developing RI dashboards to provide our clients with access to a wide array of ESG data points across their portfolios. As of December 31, 2023, our database contained over 1 million ESG-related data points from our extensive coverage of the private markets.

How It Works

Dashboards are designed to help clients identify and monitor ESG trends and exposures over time and enable them to benchmark elements of their portfolio's RI practices versus the average of all GPs and funds for which StepStone has data. This enables StepStone and our clients to prioritize their stewardship efforts in their investment programs strategically.

The data available in the dashboard is compiled from RI due diligence and annual post-investment monitoring surveys, providing clients visibility into the pre- and post-investment portfolio ESG performance. Clients can perform comparative analysis across time periods, asset classes, sectors, regions, countries, GPs and funds.

Dashboards provide data across various ESG topics such as climate commitments, GP ESG scores showing leaders and laggards, exposure to SASB material risk topics and DEI metrics. Clients can see data on each topic from multiple perspectives. For example, when searching for ESG scoring analysis, clients can see ESG scores mapped over time, as well as a breakdown of ESG scoring dimensions and ESG scores by asset class.

Outcomes

While still evolving, we believe the dashboards offer a promising step toward enhancing the use of ESG data within the private markets. By offering visibility into the ESG practices within portfolios, we can facilitate better informed decision-making and engagements for clients.

As private markets data availability and quality improve, and we continue to refine our processes, we expect the data availability in the dashboards to also improve. This will provide greater insights into sectors, regions, geographies and, ultimately, companies, such as those with higher emissions. This has the potential to add further data-driven insights into our investment decision-making processes and enable targeted engagements with GPs and companies that underperform on material ESG factors.

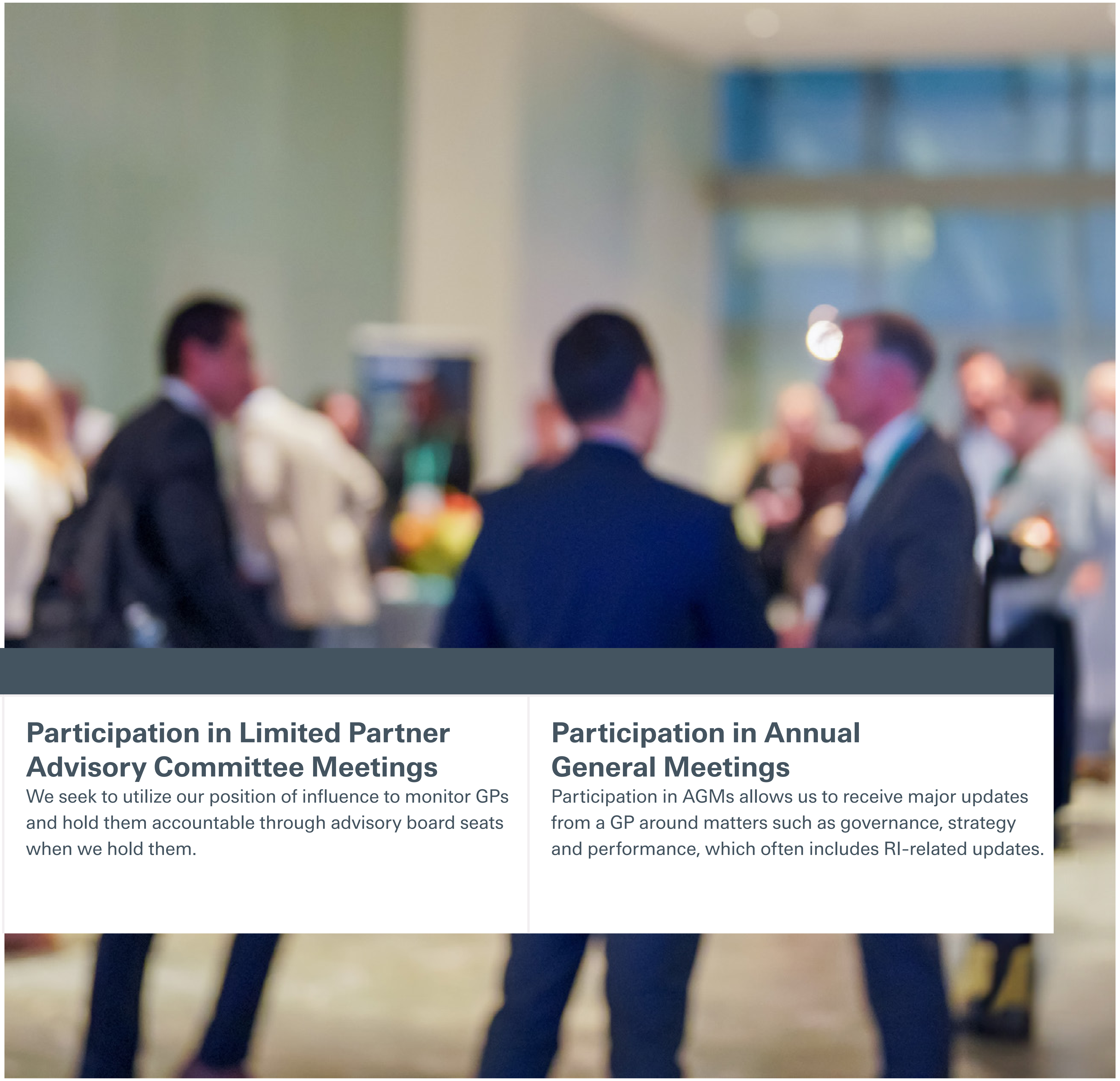
Engagement and Collaboration

Monitoring Managers

We seek to diligently monitor managers on an ongoing basis to confirm that investments align with our expectations, including with respect to stewardship.

Our process of setting ESG-related expectations begins at the due diligence stage, where we communicate within our RI due diligence questionnaire (DDQ) and during site visits and other GP touchpoints. This extends into the post-investment stage, where we continue to express our expectations and review managers' stewardship performance through our monitoring and engagement efforts.

Our global investment team is responsible for monitoring investments on an ongoing basis, based on sector coverage. Manager meetings typically take place four to six times per year through a combination of methods.



KEY CHANNELS TO MONITOR MANAGERS

One-on-One Meetings
This is our primary method for monitoring managers across asset classes and geographies. One-on-one meetings enable us to have direct dialogue with managers on specific topics, which may include ESG integration and stewardship. Annually, we conduct over 6,000 meetings with GPs globally.

Site Visits
Site visits offer a first-hand view of a GP's operations and culture. During these visits, we typically meet with the GP's leadership team and/or senior professionals. We may hold in-depth sessions around RI during visits.

Participation in Limited Partner Advisory Committee Meetings
We seek to utilize our position of influence to monitor GPs and hold them accountable through advisory board seats when we hold them.

Participation in Annual General Meetings
Participation in AGMs allows us to receive major updates from a GP around matters such as governance, strategy and performance, which often includes RI-related updates.

In addition to the channels noted, we have developed a range of resources to further communicate our RI expectations, including material ESG issues and other topics related to stewardship. Our Responsible Investment Guidance Modules for GPs are a key example. We have a dedicated module for each asset class tailored to their unique characteristics. The creation of customized modules allows us to communicate expectations that are more specific and appropriate to each asset class and share what we consider to be best practices around integrating RI considerations into a GP's investment program. They also provide guidance on how to develop an ESG policy and enhance existing ones; an overview of key ESG frameworks and initiatives for GPs; how to integrate ESG considerations into the investment process; and an overview of material issues that have the potential to negatively impact investments, such as climate change, DEI and human rights.

Throughout the modules, we make clear our expectations, preferences and recommendations to GPs around various stewardship-related topics and provide real-world examples of best practice for each. For example:

- **Engagement:** We outline clear steps for GPs around ESG engagement, which includes establishing ESG contact points at portfolio companies/assets, incorporating material ESG factors into post-investment management, and setting ESG-related targets within the portfolio, among others.
- **Collaborative engagement:** We encourage GPs to become signatories to globally recognized standards and frameworks and align their ESG programs to such frameworks. Key examples across all asset classes are the PRI and TCFD.
- **Escalation:** We set clear expectations for GPs around monitoring, managing/escalating and reporting critical ESG incidents within the firm and their portfolio. We illustrate this with specific examples.
- **Exercising rights and responsibilities:** We expect GPs to exercise their rights and responsibilities in a way that is appropriate to their asset class and strategy, understanding that different governance rights exist.

Overall, we have found this to be an effective and efficient way to reach a large number of GPs. We continued to utilize our GP guidance modules in 2023 to engage with GPs on RI. Please see the case study on page 57 for an example of this in practice during the reporting year.

To further set and align expectations around stewardship, we also conduct targeted one-on-one meetings with GPs. These active engagements have been instrumental in driving positive change at the manager level, and in turn, we believe will benefit their portfolio assets that they manage on our behalf. We have provided two case studies on the following pages that highlight how we engage with managers to further enhance their practices.

CASE STUDY

Monitoring and Engaging with Infrastructure Managers on Material ESG Topics

At StepStone, we use meetings with managers as a key way to monitor their ESG performance and the extent to which they are adhering to the expectations we have set. We also utilize meetings to share our views on their ESG programs and insights from the perspective of LPs.

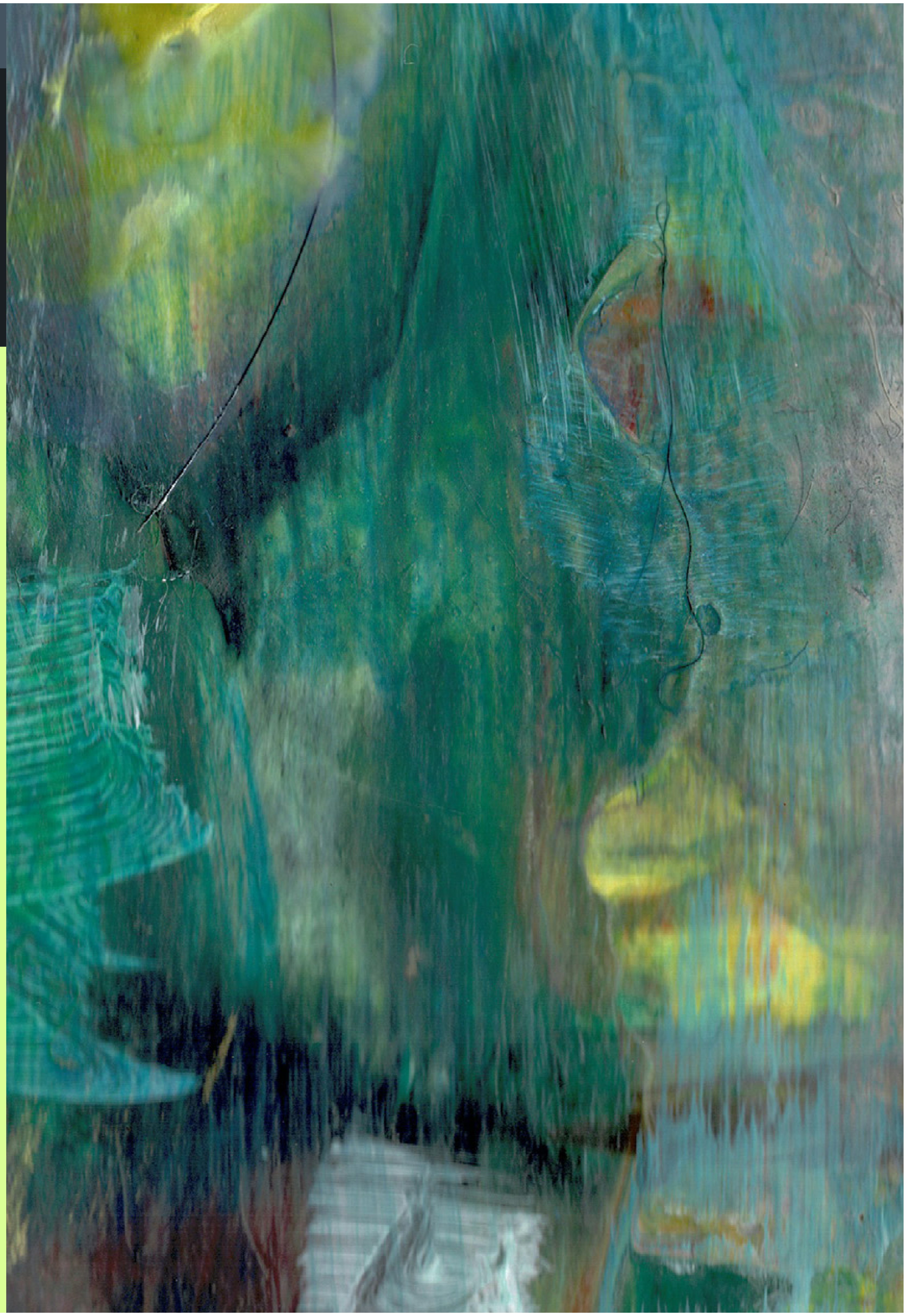
We seek to prioritize material ESG issues and client priorities when selecting topics for engagement, providing feedback when we see opportunities for improvement and providing our support on how to enhance performance.

In 2023, StepStone Infrastructure and Real Assets held approximately 100 engagement meetings dedicated to Responsible Investment with managers.

During the reporting year, ESG-related topics that SIRA engaged with managers on included:

- Environmental issues, such as carbon emissions, net zero and biodiversity
- ESG reporting
- Independent review of RI reporting
- Risk management
- Social issues, including occupational safety, diversity and human rights
- Stakeholder engagement
- UN Global Compact

In 2023, spurred by the new recommendations published by the TNFD (please refer to page 79 for information on our involvement with this initiative), biodiversity emerged as a key topic of discussion during many engagements with infrastructure managers. As part of these engagement meetings, we provided guidance and views to support GPs in understanding the topic, how to assess their performance in this area and latest developments that we observed.



CASE STUDY

Supporting a GP's ESG Integration Through Ongoing Monitoring and Engagement Context

Freeport provides revolving lines of credit, first-lien term loans and committed growth financing for acquisitions. The GP couples industry experience and product knowledge to serve the financing needs of private equity investors in the lower-middle market. StepStone made an investment in Freeport in 2016 and is one of the GP's largest investors to date.

Engagement

Since investment, StepStone has engaged frequently with the GP on ESG-related matters. StepStone values engagements that span across multiple years and has worked alongside Freeport, adapting engagement topics as the GP continues to advance and evolve its ESG program.

In the 2023 reporting year, StepStone continued to engage with Freeport on a quarterly basis, with ESG as a standing agenda item in each meeting. Key topics discussed included:

- ESG training
- ESG-linked margin rachets
- PRI reporting
- Diversity in the investment team
- Climate change and setting a climate strategy

These topics represent notable areas for action or exploration for the GP, and throughout engagements, the StepStone team shared views, guidance and insights. To support our engagements, we utilized our RI Guidance Module for Private Debt to frame discussions, which incorporates specific guidance and feedback tailored to the asset class. During the year, Freeport also participated in StepStone's emissions measurement initiative (discussed further on page 76).

Outcomes

StepStone previously reported ESG developments at Freeport following our earlier engagements, as shared in our 2021 Stewardship Report, including the formal adoption of an ESG policy and improved diversity of the GP's internal team. Additionally, following our guidance on ESG reporting (as noted in our 2021 Stewardship Report), the Freeport team has since incorporated ESG updates as a topic of discussion during the firm's Annual General Meeting.

The GP has continued to make further progress throughout the reporting year, building on efforts from prior years. Freeport's application to the PRI was confirmed and the GP submitted its first PRI report in 2023. With respect to diversity, the GP has continued to make progress since the time of our investment, adding two women investment professionals, the firm's only hires in 2023. Additional updates during the reporting year include:

- Implemented improvements to the firm's annual ESG questionnaire.
- Analyzed 2022 ESG data across its investment portfolio, which allowed the GP to establish a baseline and make meaningful yearly comparisons.
- Collected ESG data for a second year, achieving over 90 percent reporting participation across the portfolio.

With respect to Freeport's participation in StepStone's emissions measurement initiative, both StepStone and the GP believe this was a valuable way to approach emissions measurement, given the notable data challenges inherent to the Private Debt asset class. StepStone is pleased to have supported Freeport on this topic during the reporting year and of the GP's intention to further analyze results, identify next steps for emissions measurement and engage with its clients more actively on the topic in the future.

We are supportive of Freeport's continued efforts to embed ESG considerations throughout their processes and believe that our engagements with them have positively influenced their efforts in this area. We look forward to continuing our engagement with the GP and supporting its evolution.

Engagement to Drive Responsible Investing

Our Approach to Engagement

Across asset classes, we invest in and alongside GPs whose strategies, resources and philosophies can deliver outperformance. These GPs hold positions of influence in their portfolio assets, granting them direct access to conduct effective stewardship and drive value creation on our behalf as indirect investors. We establish and communicate our expectations regarding stewardship during the due diligence process and on an ongoing basis post-investment. The following is a summary of our portfolio-level engagement expectations:

- **Key Topics:** Across asset classes, we help guide managers to focus on specific ESG issues that we believe are generally relevant across assets (whether directly or indirectly)—namely, climate change, human rights and DEI. Outside of these issues, we understand that material topics will differ depending on the investment. For example, for healthcare investments, we may highlight product/service safety, customer privacy and data security as key topics to focus on.
- **Engagement Methods:** We expect managers to utilize methods available to them, which will likewise differ depending on the manager and investment. For example, in our RI Guidance Module for Private Equity GPs, we outline recommendations for managers to integrate material ESG factors in 100-day plans. This approach is not applicable to other types of managers, such as those in Private Debt.

For more information on how we set expectations on stewardship during due diligence, including our use of side letters, please refer to page 32 in The Responsible Investment Process and the case study on page 46 for an example during the reporting year. To gain insights into how we set expectations during monitoring and engagement with managers to meet our needs, please refer to pages 54-55 in Monitoring Managers and the case studies on pages 67 and 70. This is a crucial part of our approach; given our role as indirect investors, by collaborating and working closely with GPs, we are able to communicate our expectations and priorities so they can exert influence on our behalf.

For co-investments, we seek to engage directly with assets where feasible, noting that we typically acquire minority interests and, thus, do not control such assets. As such, we focus our efforts during due diligence and post-investment monitoring. We expect lead GP(s) to drive engagements with assets and we seek to play a supporting role as necessary.

In situations where we do engage directly with assets on ESG matters, we typically focus our efforts on select investments where we have greater levels of influence and governance rights, such as when we have a board seat. In such circumstances, our role allows us to engage more actively. Please refer to the case studies on pages 56, 57 and 83 for examples of our engagements with investments where we hold board seats.

Selecting and Prioritizing Engagements

Across asset classes, we select and prioritize our engagements depending on various factors. A key consideration is the level of materiality of issues identified within assets, informed by our due diligence (see page 32 in The Responsible Investment Process) and post-investment monitoring (see pages 58-69 in Collaboration Across the Investment Industry). When we identify specific material ESG risks and opportunities, they will typically take priority in our engagement decisions. We also take into consideration the size of our holding, whereby we generally prioritize our engagements based on the materiality of our position.

Additionally, we take into account the level of influence we hold. We focus on investments where we expect to have more meaningful and continuous engagement, which is typically those where we have considerable governance rights. Given the long-term nature of private market investments, continuous engagements enable us to address complex, long-term risks and opportunities. It also allows us to engage with assets in greater detail than short or one-off engagements. This approach also grants us flexibility to adapt and focus on new areas as they emerge. For multi-year engagement examples, please refer to the case studies on pages 56 and 83.

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Developing Well-informed Engagement Objectives

We seek to develop engagement objectives based on material ESG risks and opportunities identified during our due diligence process and ongoing monitoring efforts. The results inform the topics selected for discussion and consequently define the objectives on which we seek to engage. These will differ depending on the investment but are ultimately based on the objective of protecting and enhancing the value of the investment.

There are common topics we focus on across asset classes, given their overarching relevance and materiality. These include systemic risks identified on page 43 in Addressing Market-Wide and Systemic Risks, including climate change and human rights (refer to the case studies on pages 56 and 83).

Our RI team and the investment teams typically develop engagement objectives and conduct engagement activities, as highlighted on page 18 in Governance across Our Investments. We attribute our success in delivering targeted engagement plans to our diverse team of professionals and the depth of their relationships. Each member of our team possesses specialized expertise in the asset classes in which we invest. By strategically locating our professionals across the globe, we believe we are well-positioned to understand and address region-specific ESG challenges and opportunities. Local knowledge and cultural awareness allow us to develop engagement strategies that resonate with stakeholders in each geographic context and asset class.

Methods of Engagement

Our engagement methodology encompasses several key approaches, including the following (where governance rights allow):

- **One-on-one meetings**
- **Site visits**
- **Board participation**
- **Observer roles**
- **Sharing resources**

The extent to which we employ each method varies depending on the specific investment and governance rights. For example, we can only engage through board participation if we have a seat. Please see the following two case studies as examples of this during the reporting year. In general, we utilize one-on-one meetings and resource sharing most frequently, given these are the most accessible methods of engagement and they also help us to build stronger relationships. Whatever position we hold, we seek to advocate for ESG and stewardship practices as appropriate through the means available to us.

Throughout this report, we have included case studies that span our various investment approaches, giving a broad overview of our engagement and influence in different contexts. Understanding that each investment presents different ESG challenges, we avoid rigid timelines and seek to adopt a tailored, dynamic engagement approach. We adjust our engagement strategies to the specific nuances of each investment.

Overall, as noted, we focus our ESG engagements with GPs and rely on their direct relationship with assets to conduct stewardship and oversee the assets on our behalf (e.g., see case studies on page 63 and 64), given the indirect nature of our investment strategy.

CASE STUDY

Update on Our Direct Engagement to Shape an Asset's Net-Zero Road Map

Context

In our 2022 Stewardship Report, we shared details about one of our Europe-based assets that is taking a proactive role in decarbonizing its operations (please see page 84 of our 2022 UK Stewardship Report). Given that it represents a strategic transportation infrastructure asset, this investment could play a crucial role in decarbonizing the economy. As outlined in our 2022 case study, management presented a net-zero road map to the asset's board in Q4 2022. This road map was designed to align with the criteria set by the Science Based Targets initiative (SBTi), including a minimum annual reduction from baseline emissions. As a member of the asset's board throughout 2022, we participated in discussions about the asset's continued efforts to enhance its ESG and decarbonization efforts.

What Has Happened Since

After the asset's net-zero strategy was developed and agreed upon by the board, StepStone engaged with management during the first half of 2023 to draft an announcement of the strategy. Our aim was to help the asset effectively showcase both its existing and new initiatives, as well as the contribution and alignment of the strategy with national decarbonization targets. Following its net-zero announcement, the asset issued details of a critical ongoing project that supports the development of renewable energy. Together, both announcements helped reinforce the asset's commitment to contribute to decarbonizing the economy.

During 2023, the asset took several actions to implement its net-zero strategy, focusing on engaging stakeholders as agreed to with board members, which includes StepStone. Among its actions, it:

- Organized an event with customers and suppliers, outlining the steps to meet its net-zero targets.
- Adopted low-carbon fuel, began electrification of part of its equipment and increased operational efficiencies, which, together, put it on track to meet its Scope 1 emissions target for 2023.
- Signed a memorandum of understanding with two companies to develop net-zero fuels and electric vehicle (EV) charging to help meet its reduction pathway and offset emissions resulting from increased business activity.
- Participated with industry organizations on initiatives and policy engagement to support the decarbonization of the sector.
- Engaged with its supply chain to establish plans and expectations on Scope 3 emissions.

The asset is also creating an impact within its own supply chain. One of its largest construction suppliers has used lower-carbon materials on a major CapEx project thereby reducing the need to import more carbon-intensive material. In addition, one of its equipment suppliers has partnered with a company to use fossil carbon emission-free recycled steel in its products, which is expected to reduce the asset's own Scope 3 emissions.

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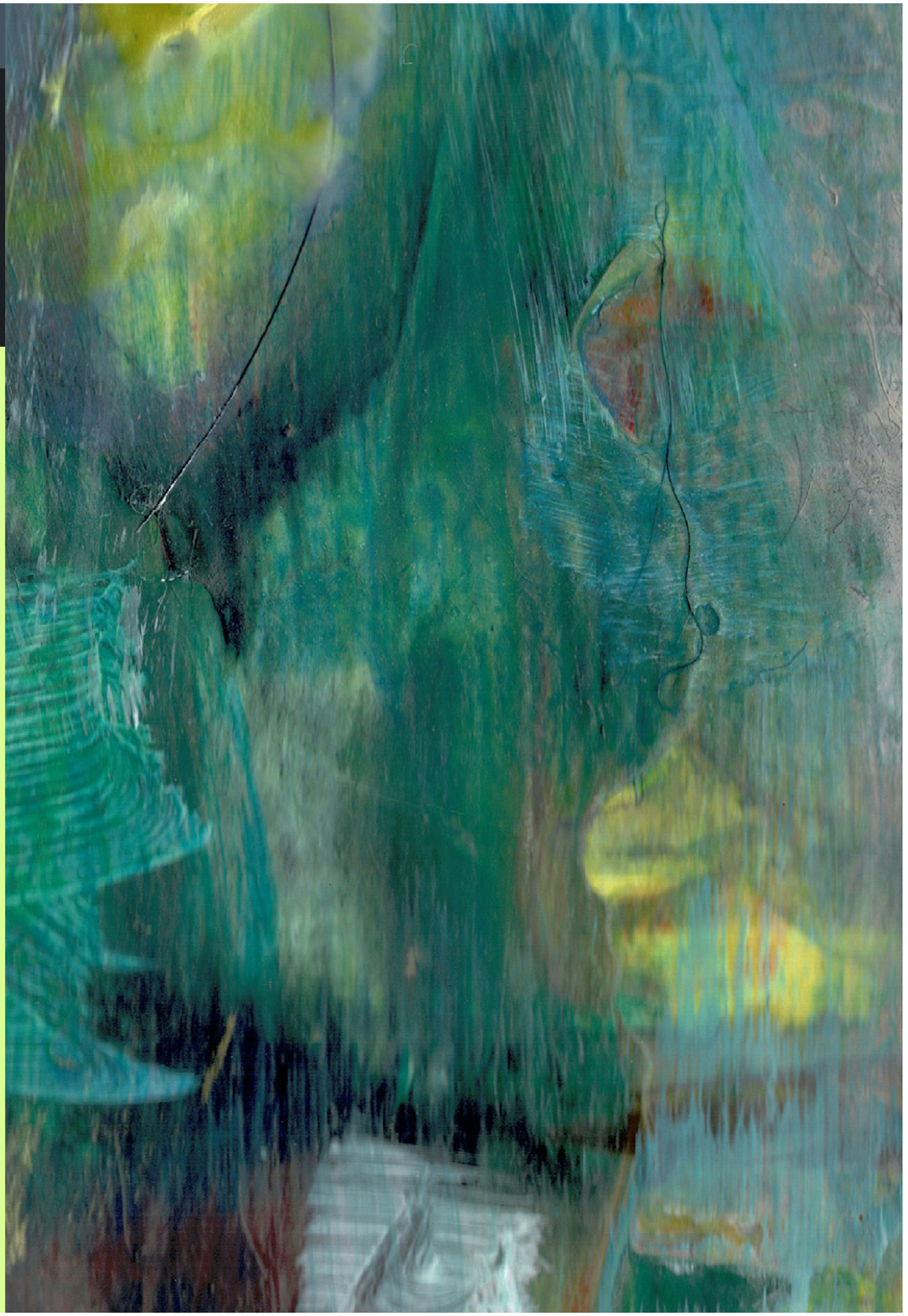


CASE STUDY | CONTINUED

Looking Ahead

In 2024 and beyond, with the board's support, the asset plans to take several steps to continue developing and implementing its net-zero strategy. This includes continued efforts to engage with its supply chain on Scope 3 emissions and support smaller suppliers in carbon accounting, evaluating Scope 3 data collection options and processes to streamline low-carbon procurement, incorporating lower-carbon options in its procurement including alternative-fuel equipment and participating in an industry working group focused on the decarbonization of the sector.

Supporting Safety Improvements through Ongoing Engagement

Through our board seat, we have also engaged the asset on occupational safety practices. Safety has been a key area of focus since StepStone performed initial due diligence on the asset and has continued to be prioritized in our ongoing engagements.

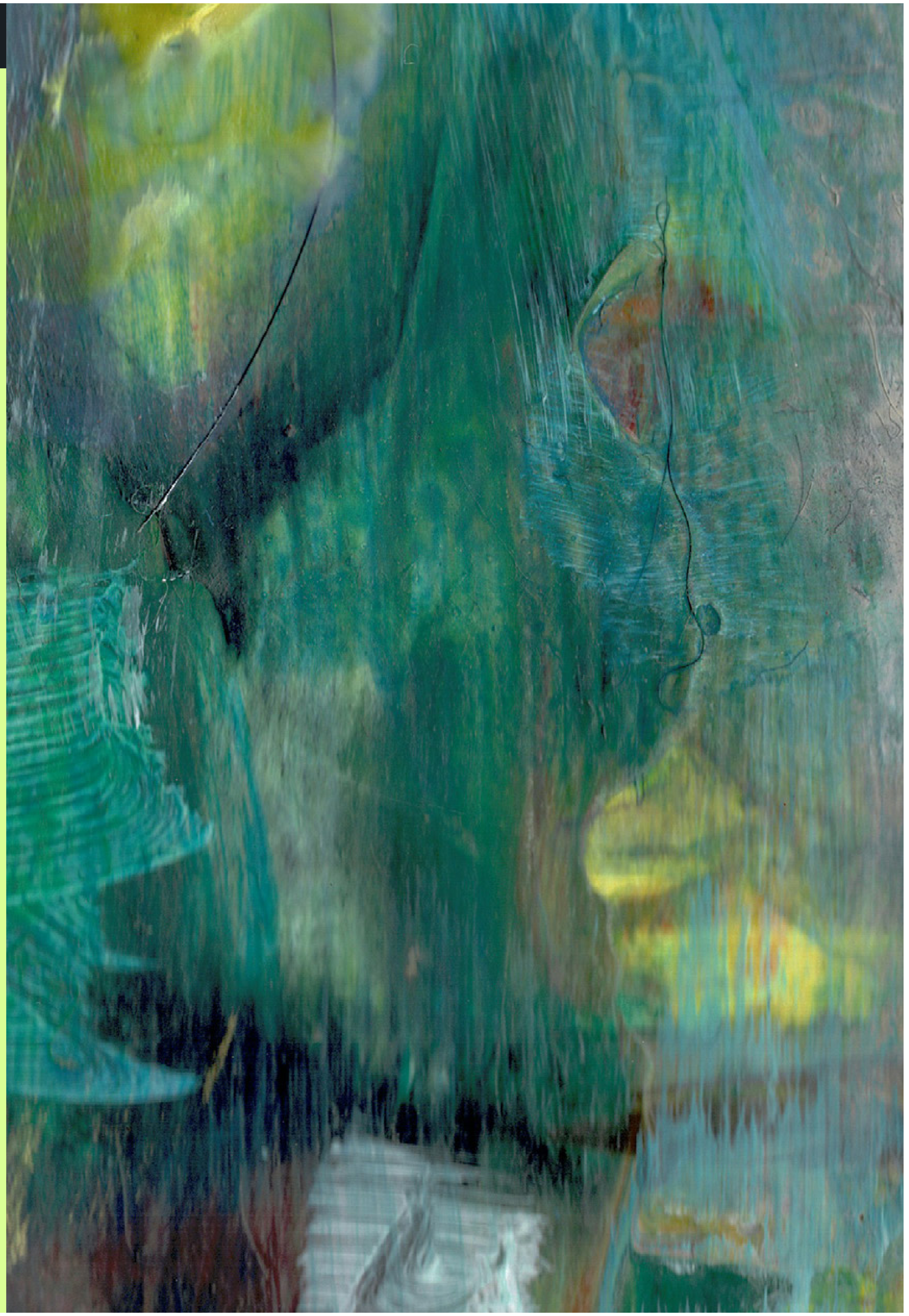
Five years ago, the asset set a target to become one of the leading safety operators in its industry with a focus on increased personal responsibility and accountability among its employees. Since then, the asset has refined its safety strategy, implemented several initiatives to increase safety awareness and built an enterprise-wide safety culture, which it continues to mature through support from the board. Key actions have included:

- Simplifying safety messaging and articulating clear, concise information to its workforce.
- Launching activities to enhance safety leadership across the asset, including health and safety tours, workshops and communications and reviews of the health and safety improvement plan by the leadership team.
- Implementing a health and safety management system to collect and review data and inform strategy development.
- Conducting an enterprise-wide safety cultural survey to measure awareness.
- Rolling out training for the leadership team on safety coaching and influencing.

As a result of these efforts, the asset's safety performance improved by 35 percent over the past four years. An independent assessment of the asset during the reporting year found the existence of a strong safety culture, leading safety practices and strong safety performance. It concluded that the asset is taking a mature and contemporary approach to safety management, focusing on supporting, coaching and driving autonomy and resilience in operations.

Through our role on the board, StepStone will continue to engage with the asset to provide guidance, support and recommendations. We believe that both focus areas—climate change and occupational safety—are long-term in nature and necessitate multi-year engagements to realize strategic plans.

StepStone has engaged with the asset since our initial investment and will continue to work with management to drive further improvements, utilizing our experience to encourage ambitious action where we believe it will be accretive to the asset and the value of the investment.



CASE STUDY

Engagement to Set Decarbonization Targets

Context

In 2022, StepStone Real Estate acquired a substantial minority interest in a U.S. healthcare real estate development, management and investment company. As part of our investment, we also committed to funding additional real estate developments and acquisitions through and alongside the company, part of which took place in 2023, where we grew our asset-level investment exposure. Our additional investment was contingent upon the company committing to implement science-based net-zero targets across the portfolio in order to support our client in meeting their own ambitious net-zero goals.

What Happened

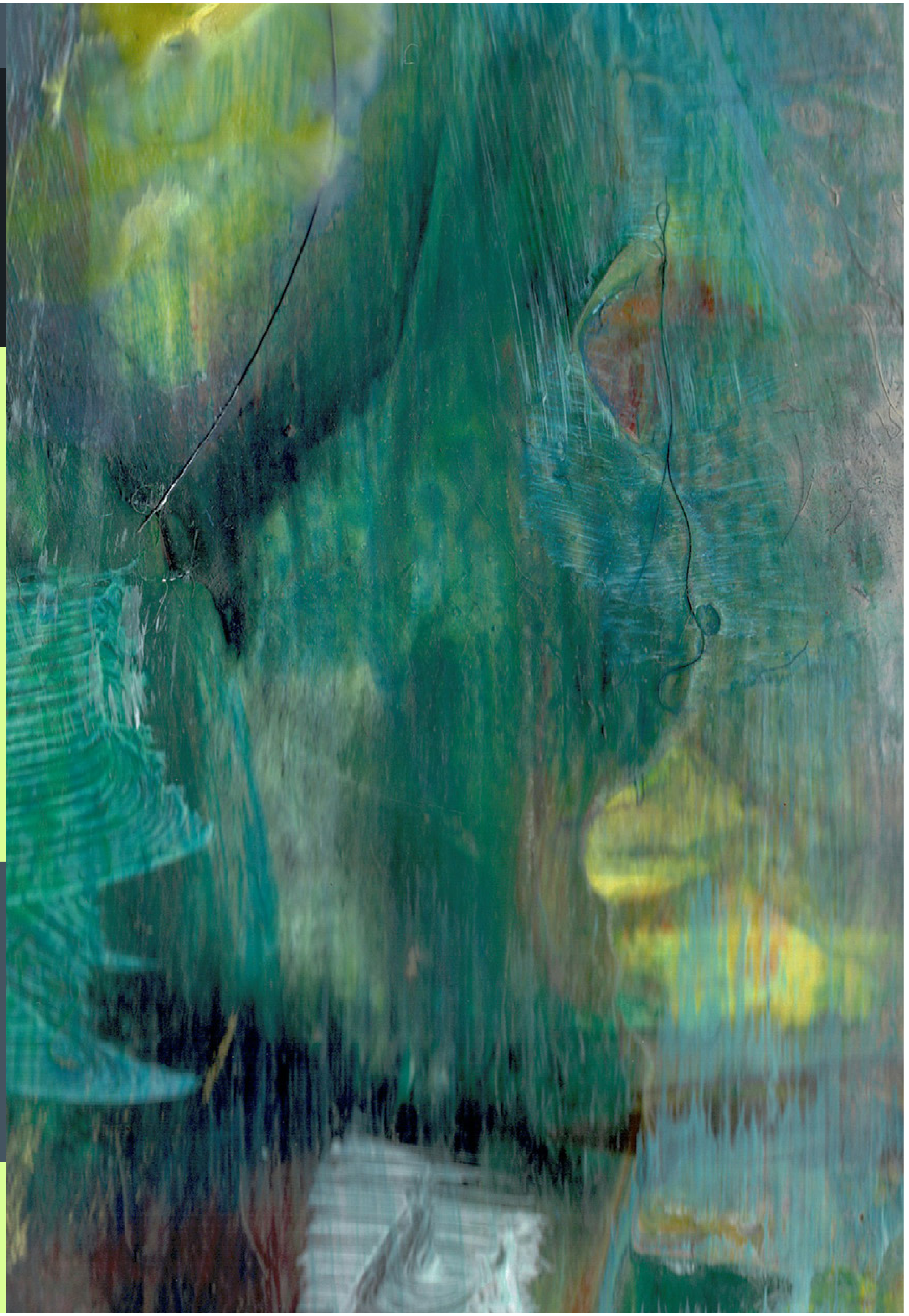
StepStone obtained board positions in the company as part of our investment and has utilized these to closely engage and support the company throughout the reporting year. Our engagement included providing:

- Recommendations with respect to establishing and collecting GHG baseline data to support year-on-year target setting (including recommendations regarding leading third-party consultants and helping to support the initial vetting process).
- Guidance with respect to setting science-based targets, including how to implement targets in practice (e.g., engaging with tenants and setting green clauses).
- Guidance and best practices with respect to implementing further enhancements to the company's existing ESG policy and processes.

Achievements to Date and Next Steps

Since our engagement began, the company has demonstrated strong commitment and action by engaging specialist advisors to begin collecting baseline data. This will help it set a net-zero target and a corresponding implementation road map, which are expected post reporting year. The company is early in its journey toward net zero and we look forward to continuing our engagement to realize these ambitions. Through our board participation, we receive regular updates from the company and monitor operational and asset-level key performance indicators. Our Real Estate team continues to provide guidance and support regarding net zero and ESG integration more broadly, and we expect to provide updates in our next RI report.

> Since our engagement began, the company has demonstrated strong commitment and action... we look forward to continuing our engagement to realize these ambitions.



CASE STUDY

DFI: Engagement to Enhance Environmental Performance of Real Estate Portfolio

Context

Deutsche Finance International (DFI) is a pan-European private equity real estate platform with offices in London, Munich, Madrid and Luxembourg. DFI aims to add value to its investments through hands-on asset management. In 2023, StepStone Real Estate completed an investment alongside DFI in a venture to acquire UK-based urban logistics assets.

DFI and StepStone believe in the potential that ESG integration can play in generating positive outcomes for real estate investors and other stakeholders, notably with respect to integrating material environmental considerations. This includes attracting blue-chip tenants (who have often established their own climate-related goals) and reducing utility and general operating costs for occupiers, thereby enhancing attractiveness to future investors during exit processes. To that end, the acquisition strategy of the investment included enhancing the building efficiency and overall environment profile of the portfolio through refurbishment and upgrade initiatives, which involves targeting an energy performance certificate (EPC) A rating across the portfolio where viable. An EPC helps to measure the energy efficiency of a building, with A-rated buildings being the most efficient.

Achievements to Date

DFI has taken a proactive approach across the portfolio to date, including close collaboration with tenants to meet collective sustainability goals and requirements. While the project is at the beginning of its journey, there has been notable progress during the reporting year:

- Data loggers have been installed to monitor, manage and collate real-time accurate utility (water, gas and electric) data. This will be utilized to accurately benchmark the portfolio's energy efficiency and carbon performance year-over-year as assets are refurbished and improved.
- Green lease clauses have been drafted and written into new leases.
- A portfolio-wide solar photovoltaic strategy has been finalized.
- A BREEAM pilot has been launched as a performance benchmark to enhance occupation and investment liquidity.

In addition, one unit underwent major refurbishments completed in January 2024, receiving an EPC of A. The refurbishment involved green upgrades including rooftop solar panels, LED lighting, removal of gas heating, EV charging points, triple-layered roof lights with insulation and upgrades to cladding, windows, doors and roller shutters.

Looking Ahead

DFI has crafted a clear strategy for 2024, including plans to finalize the installation of data loggers across the portfolio and work with third parties to update net-zero carbon reports. Work is underway to refurbish a significant percentage of the portfolio during the year to improve the average EPC score. Beyond 2024, DFI has established ambitious objectives across the portfolio with respect to the execution of green CapEx plans.

We support DFI's active approach to enhancing the portfolio's environmental performance and believe this will help create and protect value over the investment's lifecycle.

DFI's operating partner in this strategy is Argo Real Estate.

CASE STUDY

Arcus: ESG Integration and Stewardship Practices in Infrastructure

Context
Arcus is a European mid-market infrastructure fund manager, adding value through active management of assets, with a strong focus on ESG. By working hand-in-hand with portfolio company management teams, Arcus can help create larger, more resilient businesses that in turn help meet the infrastructure needs of tomorrow.

In this case study, we highlight Arcus' notable stewardship performance throughout the reporting year. StepStone is an investor in funds managed by Arcus and has a positive working relationship with the GP. The following are examples of its commitments, engagements and stewardship efforts during the year, conducted with underlying portfolio assets on our behalf as indirect investors.

Portfolio-level Climate Engagement
Arcus understands the role that infrastructure plays in the transition to a low-carbon future and became a signatory of the Initiative Climat International (iCI) in December 2022, as part of its commitment to reducing carbon emissions. The GP has also committed to net zero by 2050 in line with targets to limit warming to 1.5°C and is in the process of adopting a science-based net-zero framework to guide its implementation of net-zero targets.

Arcus is committed to reporting annual aggregated GHG emissions on a fund level on Scope 1, 2 and material Scope 3 emissions in line with the GHG protocol, and supports individual investee companies in the portfolio to consistently collect, calculate and report their respective emissions annually. All investee companies are expected to commence GHG emissions reporting in their first full calendar year post acquisition, set a consistent baseline carbon footprint, and have ERM externally verify their baseline GHG reporting data.

Portfolio Company Spotlight: Momentum Energy Group
Momentum Energy Group ("Momentum") is a Danish-based integrated renewable energy investment and services platform, covering the full lifecycle and a significant part of the value chain for wind and solar projects. Momentum invests, services and operates renewable energy projects, and undertakes the development of greenfield, re-powering and lifetime extension projects.

The Arcus asset management team first established an ESG steering committee within Momentum to further improve its ESG culture and to drive ESG initiatives across the organization. In 2023, Momentum hired a dedicated ESG manager to further drive ESG improvements across the business.

Momentum participated in the GRESB annual assessment for the first time in 2023, with support from the Arcus team. The company demonstrated its strong ESG foundations and efforts by scoring 95 out of 100 in the assessment. As a result, Momentum was able to place strongly in the overall GRESB rankings in its debut year, including: (i) first overall in Northern Europe onshore wind power generation, (ii) fourth overall in Europe onshore wind power generation, and (iii) sixth overall in global onshore wind power generation. Momentum also onboarded a new ESG leader during the reporting year to further enhance practices at the organization, improve stakeholder engagement and drive further ESG initiatives going forward.

Arcus Firm-level Updates
During 2023, Arcus submitted its annual GRESB assessment and benchmarking process for the seventh year, and was recognized once again for its leading position as a manager in ESG through fund and asset GRESB sector leader awards. Arcus also bolstered its ESG team in 2023 through the hire of an additional ESG executive, bringing the Arcus ESG team to five members, further strengthening the GP's resources dedicated to ESG.

For the second consecutive year, Arcus was awarded first position in the Orbis Advisory's "Private Equity Transparency Index" for 2023 in the infrastructure category and fifth position in the index overall for ESG disclosure across private equity firms.

Our Escalation Approach

We rely on GPs to manage escalated engagements, utilizing their proximity to the assets. When such cases arise, we closely monitor the escalation process, setting clear expectations on GP communications and disclosure. Specifically, we expect GPs to:

- Communicate with portfolio company management for effective incident monitoring.
- Collaborate with management and, if necessary, third parties during significant incidents.
- Include critical incidents as a standing agenda item in board discussions.
- Promptly report critical incidents to StepStone.

When escalations occur, our approach often includes advanced engagement practices at the GP level, such as increasing engagement frequency and forming an internal task force for serious incidents.

Selecting and Prioritizing Issues When Escalation Occurs

Critical ESG incidents can pose significant risks to both reputation and asset value. Incidents can vary widely, from breaches of ESG policies and codes of conduct to events with substantial negative impacts. Our escalation approach is focused on identifying and mitigating incidents that could materially affect the value and reputation of our investments.

StepStone's Definition of a Critical ESG Incident

While there is no industry definition, StepStone defines a critical ESG incident as an event that violates a GP's stated ESG policy or code of conduct and/or causes a material negative impact on the valuation of the asset and/or the reputation of the asset, GP or LP. Examples of critical ESG incidents include:

Reputational Harm/ Headline Risk	**Violation of an ESG Policy**
Negative Impact on Valuation	**Breach of Code of Conduct**

When critical ESG incidents occur, we have a systematic approach in place to apply across asset classes, funds and geographies. Throughout this process, we seek to work with the GP to understand the root cause of the issue and may make improvements to policies and procedures as needed.

Our escalation process generally includes four steps:

ESCALATION PROCESS

1. Awareness	2. Task Force Formation	3. Investigation	4. Conclusion
• On receiving an alert or notification of a potential critical ESG issue, we initiate our escalation process.	• We inform the relevant RI workgroup and the RI Committee, along with the Marketing/Public Relations team, if required. • An entry is made in our SPI Research system, prompting relevant internal teams to assemble a dedicated task force, typically comprising RI, Investment and Legal.	• The task force plans and executes the investigation. Depending on the nature of the issue, the approach may involve suspending investments to GPs or companies under scrutiny during the investigation. • The task force engages with GPs through calls or email correspondence, gathering insights that inform our understanding of the incident, its management and lessons learned. • We offer support and guidance throughout the process to address the situation as necessary.	• The task force compiles its findings and recommendations and presents to the relevant Investment Committee where appropriate. • Clients are informed of the outcome through SPI Research. Additionally, we update the Marketing/Public Relations team as needed.

We evaluate incidents to determine if they reflect broader cultural or systemic issues in the GP and/or asset. The outcomes of this evaluation determine if further action is required to help prevent an incident from occurring again. During the 2023 reporting year, we encountered instances of ESG incidents within the underlying assets of the funds in which we have invested in. See the case study on page 67 for an example of how we maintained close involvement in monitoring a GP's escalation of an incident on our behalf. By closely reviewing the GP's responses and actions, we aim to help them appropriately address ESG risks and concerns in line with our expectations, which ultimately helps to safeguard the value of our investments.

We were pleased that in the 2023 reporting year, we did not encounter any need to engage in direct escalation with our co-investments due to a critical ESG event. We believe our proactive due diligence and ongoing monitoring and engagement enabled us to effectively address potential ESG risks and concerns, demonstrating the value of responsible investment practices embedded throughout our investment process. While we did not need to escalate any cases in 2023, we remain focused on monitoring our assets in order to escalate if necessary.

CASE STUDY

A GP Escalating Their Engagement with an Asset to Address Underage Labor Accusations

Between 2022-2023, a critical ESG incident occurred within a company held by a private equity fund that StepStone has invested in as part of a primary investment.

What Happened
In 2022, regulators launched an investigation into the company's workforce, claiming that the company had hired underage workers within its facilities. The impact of this investigation triggered some customers to end their relationship with the company.

To monitor the situation appropriately, StepStone initiated its critical incident process, which involved the RI Committee appointing an internal task force to examine the issue. The task force included the Head of Responsible Investment and one Partner, Principal, Vice President, Associate and Analyst.

As part of the process, the task force actively maintained communication with the GP and held meetings to remain up-to-date on the situation. Key areas of focus included:

- Reviewing the GP's initial due diligence process to understand whether appropriate ESG due diligence had been conducted
- Examining how the incident unfolded and the GP's response to understand whether appropriate corrective actions have been implemented

Outcome
Key findings of StepStone's task force were as follows:

- **Initial GP due diligence:** Prior to our investment, the GP had conducted extensive reviews of the company's policies and processes around worker authorization and safety, among others, and determined they were industry-leading and significantly above regulatory requirements. The company had no prior history of underage labor violations.
- **GP and company incident response:** In response to the investigation, the company's board (of which the GP is part of) immediately established a sub-committee, which hired an independent law firm to conduct a full review of hiring policies and processes and provide recommended remedial actions. In addition, the company conducted multiple additional audits of its employee base. The company proceeded to implement recommendations, including terminating personnel identified as having engaged in misconduct. The investigation culminated during the reporting year with a settlement that closed the matter.
- **Remedial actions:** Since the investigation, the GP has continued to monitor and work with the company to implement remedial actions, including bolstering compliance training, conducting additional extensive reviews of the company's workforce and engaging a leading third-party consultant to continue monitoring compliance.

Conclusion
StepStone believes that the GP's escalation processes enabled it to investigate and respond to the incident with appropriate steps and in alignment with our expectations. We intend to continue to monitor the GP's progress in implementing further improvements to mitigate against future incidents.

We understand that critical incidents can arise in underlying assets, which underscores the importance of setting expectations with GPs regarding appropriate escalation processes. This case study highlights the importance of having a systematic approach to escalating and addressing material ESG incidents when they occur. This example also outlines our own critical incident process in action, which involved monitoring and working with the GP to understand the issue and further communicating how we expect GPs to escalate engagements on our behalf as indirect investors.

Collaboration to Enhance ESG Integration and Stewardship across the Investment Industry

We work with peers and support industry-wide initiatives as part of our approach to promote the continued enhancement of ESG integration and stewardship within the industry. We believe the complexity of the challenges facing the market requires a unified approach, bringing together diverse stakeholders and their expertise and experiences to create solutions that help address market-wide and systemic risks and support a sustainable market.

At StepStone, we work with investors and other stakeholders, publish whitepapers, share insights on our podcast, conduct research and play an active role in initiatives that seek to address the challenges and opportunities facing the industry. We highlight our key efforts from 2023 in the following table.

ORGANIZATION	FUNCTION	OUR INVOLVEMENT
IFRS™ *Member since: 2020*	The IFRS is a global nonprofit organization that offers a broad suite of resources designed to help businesses and investors develop a shared understanding of enterprise value–how it is created, preserved and eroded.	As members of the SASB Alliance, we align our annual RI Report (formally ESG Report) with the SASB Asset Management and Custody Activities Standards. Utilizing the SASB Materiality Map, we evaluate ESG risks at the GP, fund and asset levels, integrating it into our investment due diligence process via our proprietary software. The consistent application of the SASB Materiality Map throughout the investment lifecycle helps enables us to focus our ESG analysis on the material issues most relevant to each investment.
GRESB *Member since: 2020*	GRESB provides validated ESG performance data and peer benchmarks for investors and managers to improve business intelligence, industry engagement and decision-making.	As GRESB investor members, we have access to ESG data and analytics, which may be additive to our own data used to evaluate investments and assess ESG-related risks and opportunities. Our Real Estate and Infrastructure and Real Assets investment teams may utilize GRESB data.
ilpa INSTITUTIONAL LIMITED PARTNERS ASSOCIATION *Member since: 2020*	ILPA engages, empowers and connects limited partners to maximize their performance on an individual, institutional and collective basis. ILPA delivers value to its members through events, industry affairs, education, research and content.	As founding members of ILPA's Diversity in Action initiative, we promote the adoption of its best practices industry-wide. ILPA's DDQ and diversity metrics help standardize investor inquiries and track progress in DEI. We contributed feedback to the DDQ and diversity metrics template during its development. Additionally, we participate in the ILPA-supported ESG Data Convergence initiative, which aims to standardize ESG data in private markets. We discuss 2023 updates on page 81.

ORGANIZATION	FUNCTION	OUR INVOLVEMENT
INVEST EUROPE *Member since: 2013*	Invest Europe aims to promote a better understanding of private equity to enable members to invest capital and expertise in improving businesses and generating a return for investors. Invest Europe is the world's largest association of private capital providers.	We are members of Invest Europe's Non-Financial Reporting Directive and Sustainable Finance Disclosure Regulation workgroups and have provided feedback to Invest Europe's ESG reporting template.
PENSIONS FOR PURPOSE *Member since: 2019*	Pensions for Purpose exists as a bridge between asset managers, pension funds and their professional advisors to encourage more capital to be allocated toward impact investments.	As members of Pensions for Purpose, we have played an active role in the organization, including delivering educational training on impact investing to share and contribute knowledge to the wider industry and highlight our thought leadership. During the reporting year, we were pleased to win the Best Strategy Thought Leadership award for our whitepaper "Making an Impact: A Guide for Private Market Investors" at the Pensions for Purpose Content Awards.
Ownership Works *Partner since: 2022*	Ownership Works is a nonprofit organization that partners with companies and investors to provide employees with opportunities to build their wealth at work.	In 2023, we continued supporting Ownership Works with our CEO Scott Hart serving on the Limited Partners Leadership Council. This alliance highlights the benefits of employee ownership in boosting company success and offering financial opportunities to all workers.
VentureESG *Member since: 2022*	VentureESG is a global community of more than 300 VC funds and over 90 LPs working to make ESG considerations a standard part of due diligence, portfolio management and internal fund management in VC.	As a member of the Limited Partner working group, in 2023, we collaborated with VentureESG by providing training to the VC community, speaking on a range of topics at VentureESG events and contributing to the initiative's third whitepaper. Please see the case study on page 70 for further information.

CASE STUDY

Driving Adoption of Responsible Investing Efforts in VC with VentureESG

StepStone is part of the LP community within VentureESG and is an active member of the LP working group, including throughout the reporting year.

In 2023, we actively reviewed and contributed feedback to VentureESG's third whitepaper "Driving it Forward: ESG in Venture Capital – The LP Perspective." The paper seeks to better outline how LPs are approaching the integration of ESG considerations when investing in and managing VC investments.

The launch of the whitepaper was marked by a virtual event in July, bringing together over 65 LPs and VCs. StepStone participated in the event's panel discussions and breakout sessions, over which several key observations emerged, including:

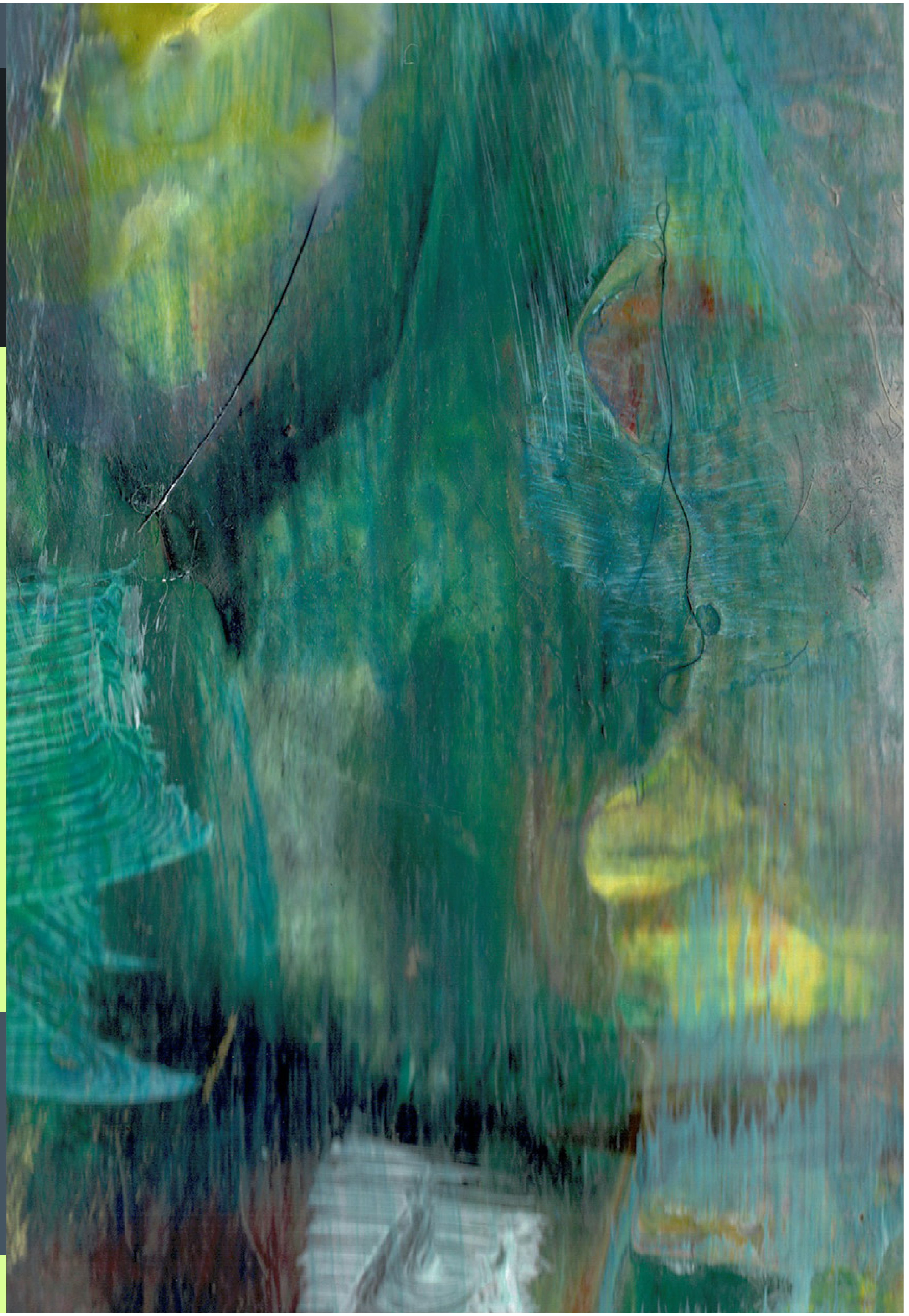
- ESG considerations and how it can lead to higher risk-adjusted returns
- The important role of LP engagement with VC GPs
- The need to improve education, training and ESG tools

We took further steps later in the reporting year to support responsible investing efforts in VC, including by partnering with VentureESG to host and speak at training sessions for GPs. This training sought to equip participating VCs with an ESG toolkit, from establishing the basics to investment process and internal fund management. During the training, more experienced VC GPs shared their perspectives and StepStone provided an LP perspective on the expectations of our partners.

Our efforts throughout the year were designed to be pragmatic, providing VC GPs with actionable insights, guidance and training to effectively integrate ESG considerations across their strategies. Looking forward, we plan to host additional trainings in 2024 to further support VC GPs.

As one of the largest and most active allocators in VC, we believe these efforts to enhance the ESG practices of the VC community—who in turn can apply these improvements to their own stewardship efforts at the underlying asset level—represent an effective way that we can practice stewardship.

Our efforts throughout the year were designed to be pragmatic, providing VC GPs with actionable insights, guidance and training to effectively integrate ESG considerations across their strategies.



Our Thought Leadership Efforts in 2023

Our Reflections on Private Markets podcast series and whitepapers, where we share knowledge and insights from across the investment industry, are an important part of our stewardship efforts. These resources reflect our experience and views on ESG and impact trends across various geographies and asset classes, aiming to facilitate dialogue and inspire action. Please also see pages 80-85 for examples of our climate and biodiversity-related thought leadership efforts in 2023.

Podcast Highlight

Reflections on Private Market podcast Episode 34, "Inflation Reduction Act: Where are we really," explores the Inflation Reduction Act of 2022. Bhavika Vyas, Managing Director in StepStone's Responsible Investment Team, and Julio Friedmann, Chief Scientist at Carbon Direct, discussed the potential of the Act to accelerate economic and climate benefits.

RI Event Highlight

In October 2023, Suzanne Tavill, Global Head of RI, attended the PRI in Person event in Tokyo. She participated in a panel on managing human rights issues in the value chain, focusing on how investors can implement human rights considerations into their due diligence.

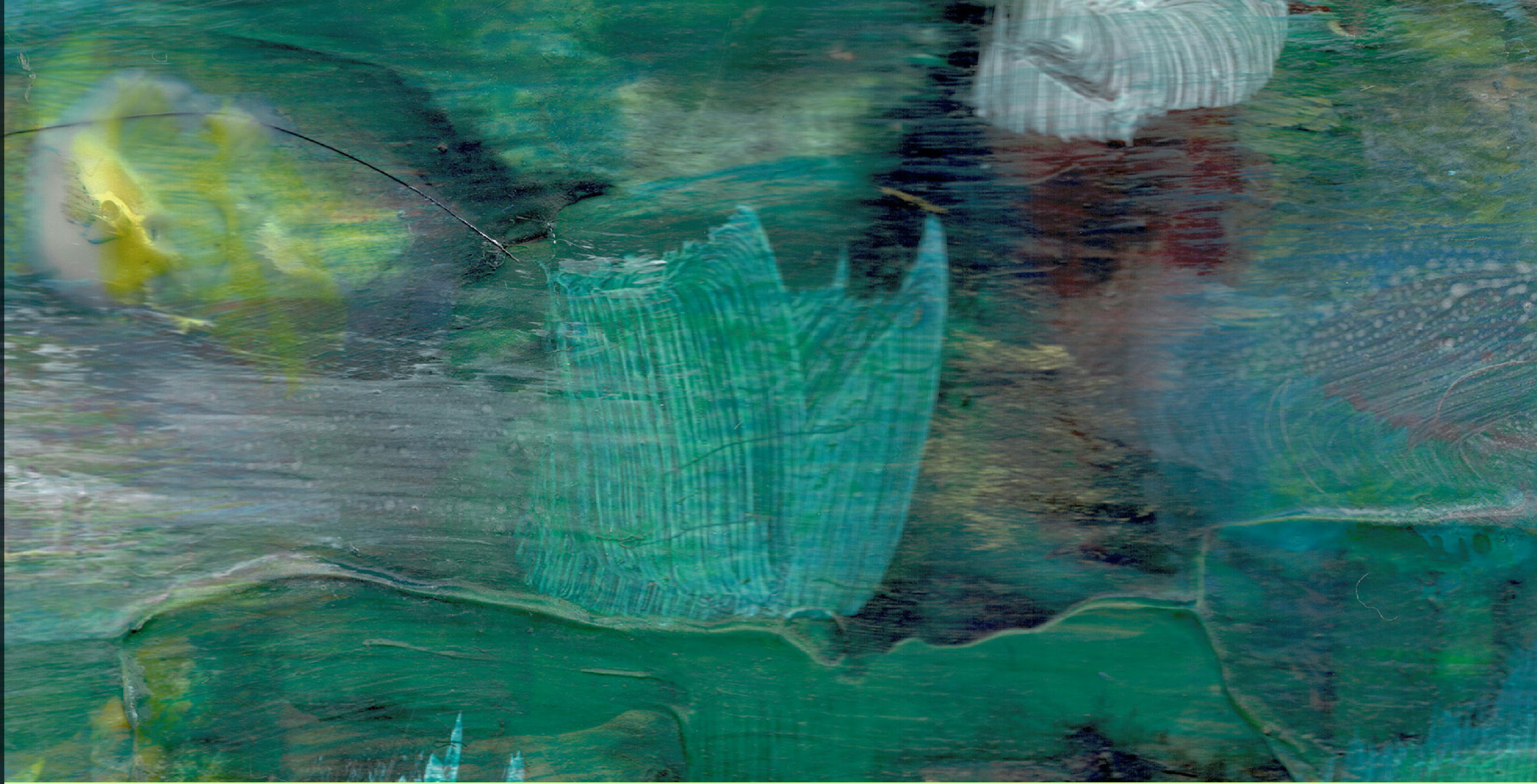
Advocating for GPs to Engage with Industry Initiatives

We regularly advocate for GPs to participate in industry initiatives such as the PRI and iCI. In addition, we encourage managers to be involved in topic- and asset class–specific initiatives relevant to their investment strategies. For instance, we advocate for GPs to participate in the VentureESG Initiative for venture capital strategies. We seek to lead by example, first becoming signatories or supporters of such initiatives ourselves and then sharing insights from our experiences to support GPs.

% of GPs Who Are PRI Signatories[1]

	2021	2022	2023
Private Equity	28%	36%	48%
Private Debt	53%	76%	79%
Real Estate	46%	53%	62%
Infrastructure and Real Assets	100%	100%	100%

[1] As of December 31 of the applicable year. Percentages are calculated based on GPs we have invested with that have provided data.



Climate

Climate

Climate Management Across Our Investments

Climate Strategy

With global attention on climate-related risks remaining center-stage, amplified by the frequency of extreme weather events, we believe the importance of proactive climate change mitigation and adaptation efforts within the investment landscape remains imperative. We acknowledge the material impact that climate change can have on the financial performance of investments. Therefore, we believe that a robust climate strategy is essential for prudent investment management and have built an approach that emphasizes:

- Resourcing and governance to oversee and manage climate-related considerations within our business. Our approach to RI governance, which incorporates climate matters, is discussed starting on page 18.
- Integrating material climate considerations in our investment process, from due diligence to post-investment management. Our approach to ESG integration, which incorporates climate matters, is discussed on page 32.
- Active participation in climate initiatives and thought leadership. Our approach is discussed on page 32 in The Responsible Investment Process.
- Impact investing with a lens on climate change. Our impact investing approach is discussed on pages 47-48.

As the world navigates the transition to a low-carbon economy, it's important that we consider the full range of risks and opportunities associated with climate change. Below, we outline examples of risks and opportunities that we may seek to integrate into our investment process, depending on the characteristics of the underlying investment.

RISK TYPE	CLIMATE-RELATED RISKS			
Transition Risks	Policy and Legal	Technology	Market	Reputational
Physical Risks	Acute		Chronic	

OPPORTUNITY TYPE	CLIMATE-RELATED OPPORTUNITIES
Resource Efficiency	More efficient modes of transportation and more efficient buildings
Energy	Lower-emission sources of energy, use of supportive policy incentives and participation in carbon markets
Products and Services	Developing lower-emissions goods and services and climate adaptation solutions
Markets	Access to new markets

Managing Climate-Related Risks

Climate Change as a Systemic Risk

We take a comprehensive approach to assessing material climate risks and opportunities linked to investment opportunities, following the process outlined on page 32 in The Responsible Investment Process. Before making investment decisions, we conduct RI due diligence and may engage with GPs on ESG matters, which may include a specific focus on evaluating their policies and processes for managing climate-related risks and opportunities. Where relevant, we assess the physical and transition risks at the asset level and evaluate the financial implications of climate change on the business. If we identify elevated climate-related risks during due diligence, we may opt to decline the investment, or, in the case of secondary investments, remove specific assets or funds from the portfolio. The case study on page 42 illustrates an example of this in practice.

Integrating Climate-Related Considerations in our Stewardship Approach

We continue to monitor investments regarding climate-related matters in the post-investment phase. Among other topics, our post-investment monitoring questionnaires incorporate queries that assess the GP's alignment with global climate-related standards, carbon footprint measurement and reporting efforts and climate target-setting. Results in 2023 are outlined in the tables below.

A key aim of our monitoring efforts is to identify trends across asset classes, which help inform our engagement priorities. We conduct active engagement, with the belief that it represents one of the most powerful tools for us to address climate risks and opportunities within our investments. Members of StepStone's RI team, RI workgroups and investment teams seek to engage actively with GPs and advocate for them to measure financed emissions, set climate-related targets at the portfolio/asset level and increase transparency in their disclosure.

In 2023 we expanded on these efforts by implementing a dedicated initiative to support GPs across asset classes with estimating their financed emissions, as detailed in the case study on the following page.

% GPs With Portfolio-level Emissions Reporting Available[1]

Private Equity	43%
Private Debt	49%
Real Estate	59%
Infrastructure and Real Assets	94%

% GPs That Have Portfolio-level Emissions Reduction Targets[1]

Private Equity	32%
Private Debt	17%
Real Estate	69%
Infrastructure and Real Assets	56%

[1] As of December 31, 2023. Percentages are calculated based on GPs we have invested with that have provided data.

CASE STUDY

Promoting Financed Emissions Measurement Across Private Markets

Context

Addressing systemic climate risks requires a critical first step—measuring emissions. The private markets generally lag behind public markets in this regard, in part due to the historical lack of regulations mandating emissions measurement and reporting. In addition, private market GPs may not have the resources or expertise available to support measuring emissions. This is especially true for smaller GPs (e.g., early-stage VCs) or GPs earlier in their carbon footprinting journey.

To help provide a solution, StepStone partnered with Pathzero, a leading emissions data network for private markets, to utilize Pathzero Navigator to help GPs estimate the carbon emissions of their portfolio.

How it Works

The Pathzero Navigator is grounded in the Partnership for Carbon Accounting Financials (PCAF) methodology, considered a leading carbon accounting methodology in the market for assessing and disclosing the GHG emissions associated with investments. Leveraging the PCAF methodology, Pathzero Navigator estimates carbon emissions based on operating metrics (e.g., revenue, debt and equity) and sector- and geographic-based factors. Using such data to estimate emissions allows GPs to develop a PCAF-compliant baseline without having to collect extensive inputs (e.g., activity metrics), which are otherwise required for emissions measurement.

Activity

Prior to the launch of a wide-ranging initiative with our broader GP base, we conducted a pilot in 2023 with eight GPs across the four asset classes in which StepStone invests. This enabled us to test Pathzero Navigator's effectiveness and gather feedback on how much direction GPs would need to use it to calculate and report emissions.

Throughout the pilot phase, we engaged the eight GPs directly, conducting educational sessions on how the platform works, how to interpret emissions data and how to leverage estimates for LP reporting. We hosted several webinars to provide demonstrations on the platform, as well as developed educational materials to support its adoption. We also worked closely with Pathzero to develop the guidance available on the platform.

Later in 2023, as part of our annual Post-Investment Monitoring Campaign, we sponsored access to the estimation tool to a wider group of over 650 GPs. Throughout, we engaged with GPs to provide insights into carbon emissions, measurement and reporting.

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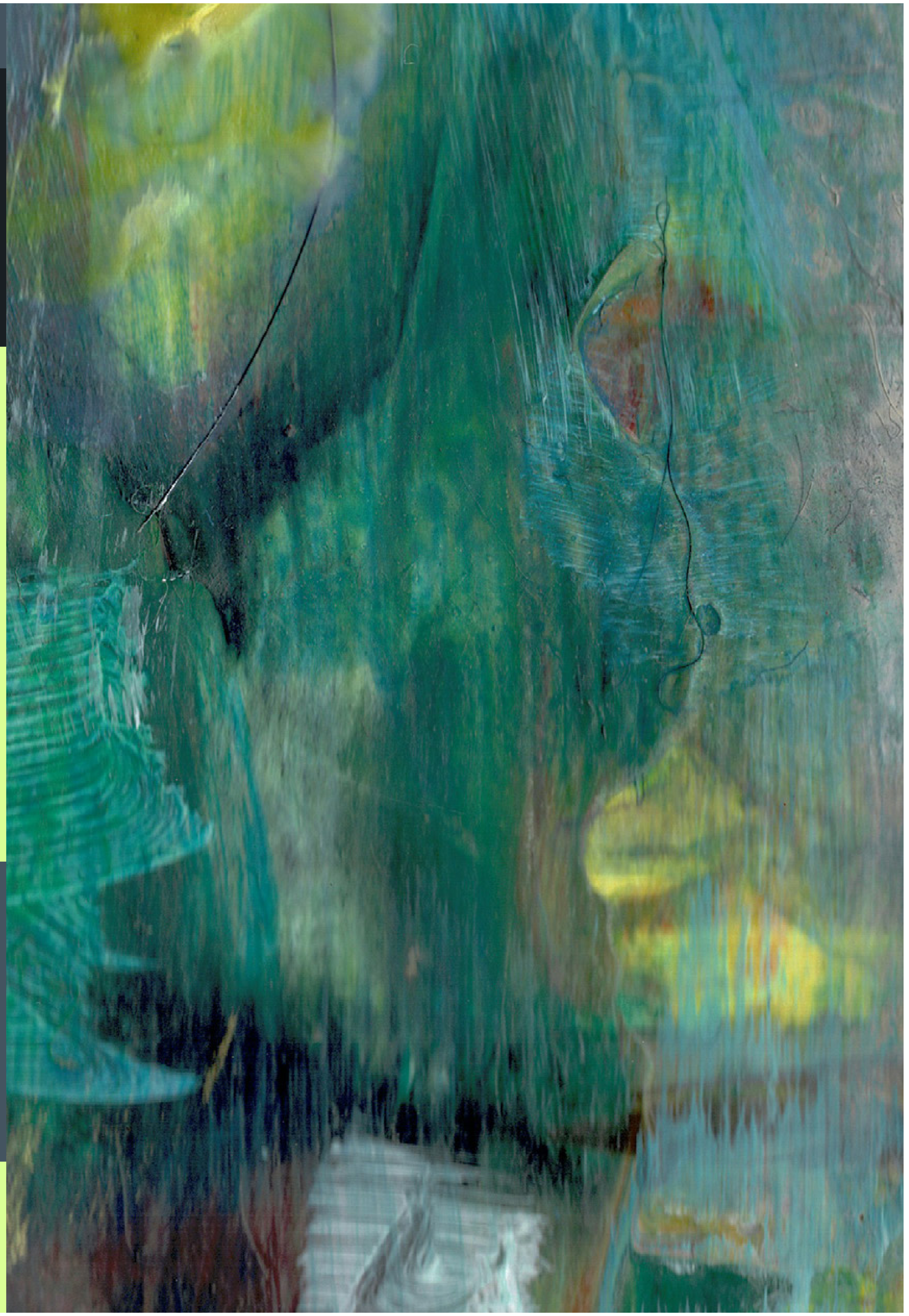


CASE STUDY | **CONTINUED**

Outcomes

This initiative and collaborative engagement with GPs has yielded promising early results. For GPs, receiving baseline emissions data, especially from the assets contributing the most to their estimated emissions profile, offers a starting point for their portfolio emissions management journey. Simultaneously, it helps meet the short-term reporting needs of some investors.

Use Case 1:

One Asia-based early-stage venture GP took part in the pilot. Prior to StepStone's carbon emissions measurement initiative, the GP had integrated ESG considerations into their investment decision-making process, including identifying key emissions-related factors during due diligence processes. Additionally, it had established an in-house process for emissions calculation during the investment lifecycle. StepStone's engagement supported the GP's existing efforts to track carbon emissions. The GP reported that StepStone's dedicated guidance on carbon emission estimations, tools and the GHG Protocol was informative and offered them granularity on specific metrics, leading to a more standardized reporting scheme.

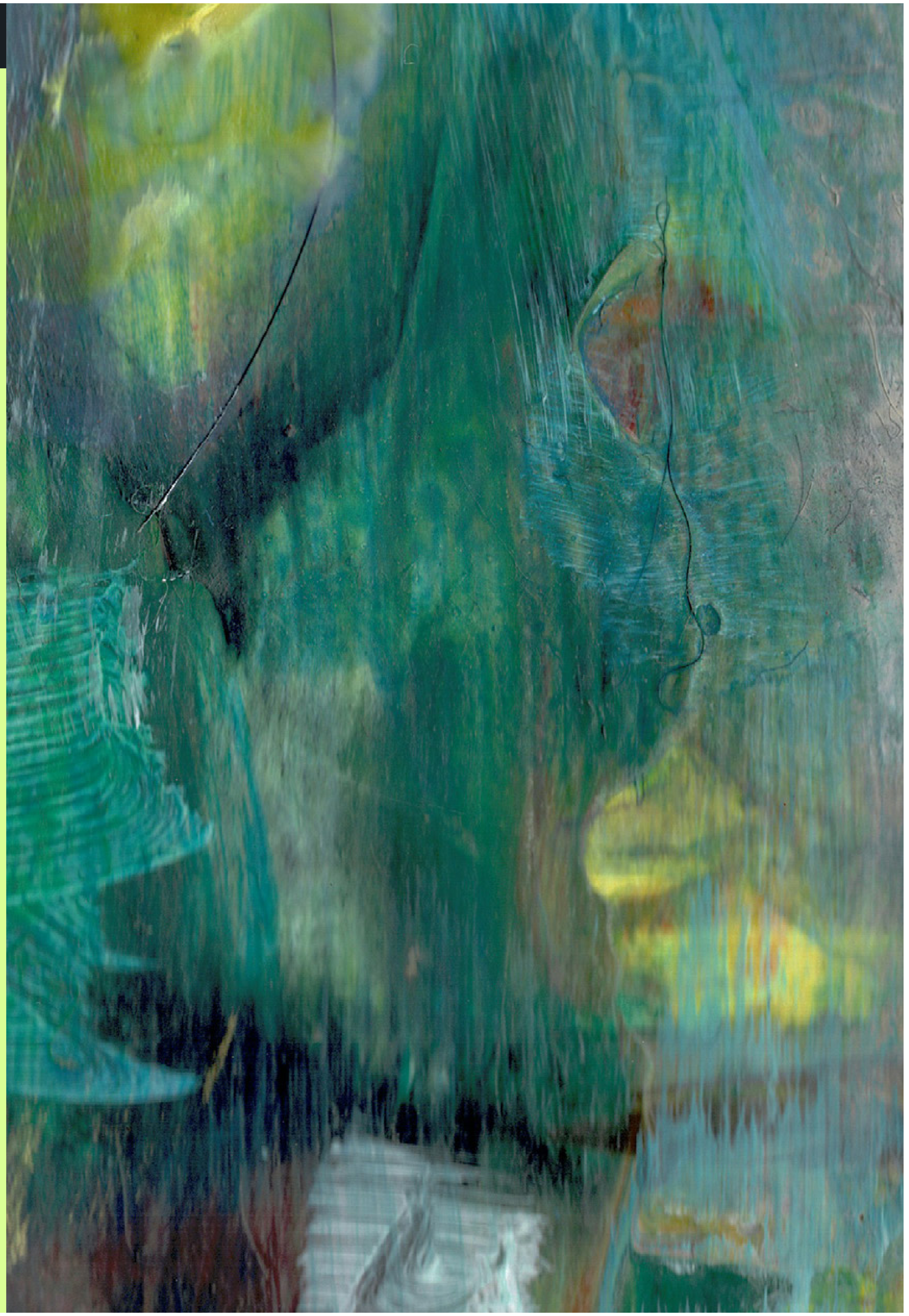
Use Case 2:

Prior to participating in StepStone's carbon footprinting pilot, one Europe-based Real Estate GP had implemented a process to collect environmental data for properties in its portfolio. To streamline its data collection and analysis initiative, in January 2023, the GP adopted software to help identify financed emissions data for each property at the portfolio level. Building on the initial work done in this area, the GP participated in StepStone's carbon footprinting pilot to gain deeper insights into their carbon footprint, including identification of PCAF scoring, further enhancing the granularity of their analysis. Leveraging existing platform data allowed the GP to swiftly upload additional information, enabling them to hit the ground running in analyzing carbon emissions. Furthermore, the guidance StepStone provided during the pilot helped advance the team's understanding of key issues and reporting standards.

Use Case 3:

A Private Debt GP who took part in the initiative did not have a formal process for measuring emissions. As a result of this initiative, the GP was able to report on financed emissions and found StepStone's engagement directly beneficial. The GP stated that the initiative enhanced their understanding of LPs' environmental reporting requirements and supported their own ambitions to advance net-zero objectives in their portfolio. The GP has since extended their partnership to the rest of their Private Credit Funds.

By providing GPs with the necessary support, resources and knowledge, we believe we can facilitate progress toward broader adoption of emissions measurement across private markets. With climate change considered a systemic risk to the value of certain assets, we believe the integration of climate considerations can help protect the value of our investments and contribute to the improved overall functioning of the market.



Addressing Biodiversity Risk

There is increasing recognition of biodiversity-related risks in the investment industry and its connection to climate change. Concurrently, there is growing awareness of the opportunity to contribute to the conservation and restoration of nature. We believe activity integrating material biodiversity considerations in the investment process can yield positive results for investment decision-making, the preservation of ecosystems and enhanced market stability.

Biodiversity is crucial for providing ecosystem services that support economic activities, such as provisioning or extraction services (e.g., harvesting timber), regulating or maintenance services (e.g., forests sequestering carbon) and cultural services (e.g., outdoor hiking).

Ecosystems provide crucial services such as water filtration, pollination and climate regulation, which are fundamental for the functioning of many industries. Disruptions in ecosystems can impact supply chains, resource availability and business operations, leading to financial losses and increased volatility. By protecting and restoring ecosystems, we safeguard their critical services and in turn help enable the continued stability and functioning of businesses that rely on them.

Through consideration of biodiversity risks in investment and stewardship decisions, we believe nature should start to become appropriately valued and priced by market participants. Similar to what is taking place for carbon, this will enable market participants to begin internalizing externalities.

As part of our efforts to promote well-functioning financial markets, we contributed to the development of the TNFD's disclosure recommendations, a market-led, science-based and government-backed initiative providing organizations with the tools to act on evolving nature-related issue. Please refer to the case study on the following page for more information.

Within our own investment process, we are actively integrating biodiversity-related considerations into our ESG integration efforts, informed by the TNFD's recommendations. During the reporting year, this included the introduction of new biodiversity questions in our DDQ for primaries. We also hosted trainings with investment teams on nature-related risks and opportunities.

CASE STUDY

Contribution to the Recommendations of the TNFD

Context

The TNFD seeks to provide decision makers in business and capital markets with better quality information through corporate reporting on nature that improves enterprise and portfolio risk management. It operates under the thesis that robust information on nature-related issues allows business to incorporate nature-related risks and opportunities into their strategic planning, risk management and asset allocation decisions.

Activity

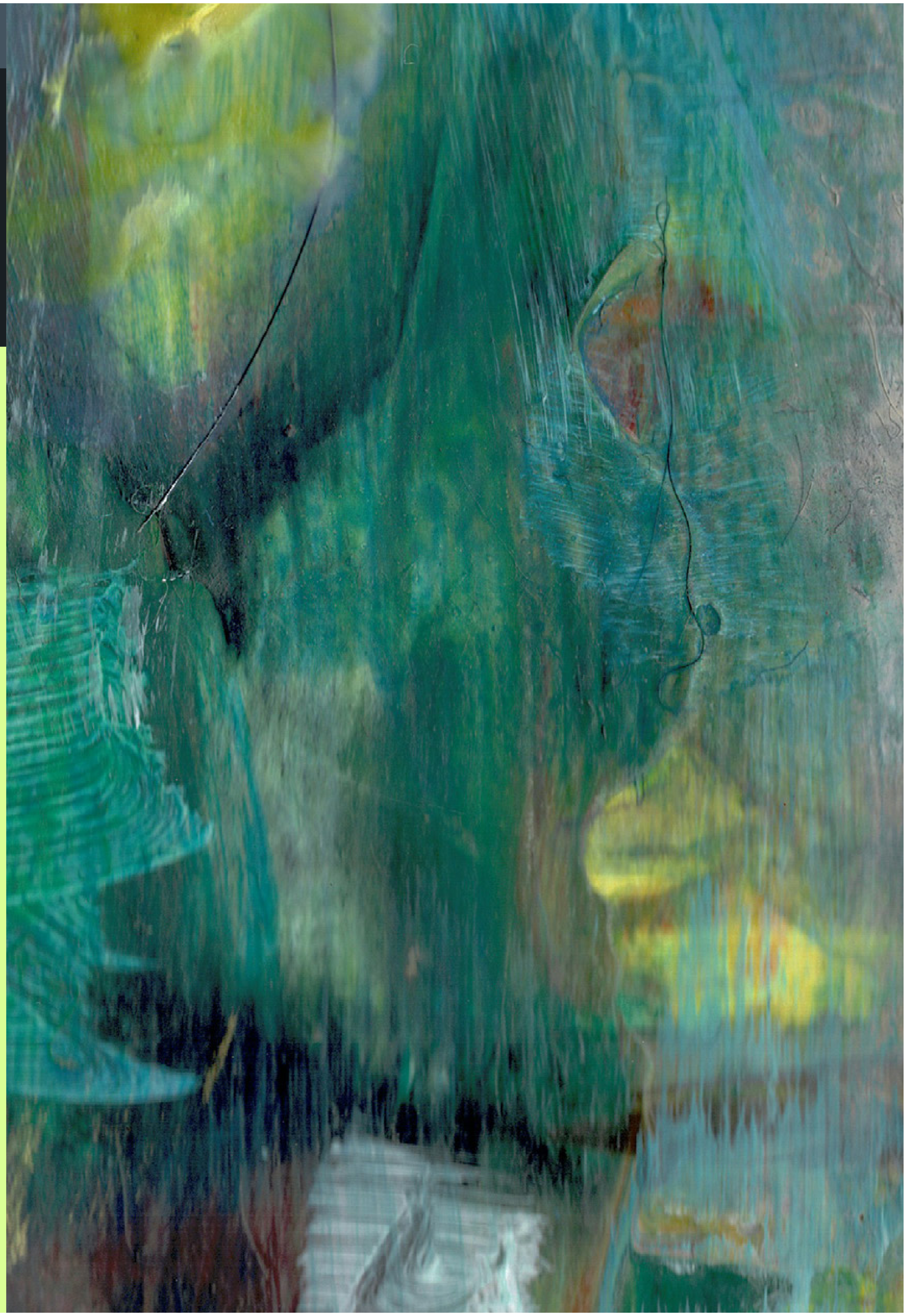
StepStone provided feedback on the fourth iteration (v0.4) of the TNFD beta disclosure recommendations, released in March 2023, through our participation in the PRI's Global Policy Reference Group, where we have two formal representatives. We provided feedback from the perspective of a private market investor on various topics within the framework, including the TNFD's proposed approach to materiality and recommendations for financial institutions' reporting.

Outcomes

In September 2023, the TNFD released v1.0 of its risk management and disclosure framework for organizations to report and act on evolving nature-related risks. The TNFD's recommendations are poised to help increase the availability of meaningful nature-related information for financial institutions, corporate, market service providers and other relevant stakeholders to integrate in their decision-making.

Participating in this initiative reinforces our focus on nature-based investing, which we established in the 2022 reporting year. By cascading our knowledge and findings beyond our own investments, we can exercise thought leadership and contribute to a shift in perspective regarding nature and investing.

Ultimately, our efforts are aimed at mitigating the risks associated with biodiversity loss and the degradation of the natural environment while promoting the development of a well-functioning financial market that prioritizes sustainability and financial resilience.



Thought Leadership and Collaboration on Climate Change

Promoting a Well-functioning Financial System

We believe climate change is a pervasive risk that affects the wider market. As such, in addition to addressing material risks and opportunities within our investment process, we conduct climate-related stewardship to help promote the financial industry's ability to identify and address climate-related risks. Examples include:

- **Collaboration:** We actively engage with relevant stakeholders, including industry peers, policy makers and regulators to contribute to actions and frameworks that help address climate change. Our efforts in 2023 are outlined in the table on the following page and in the case study on page 83.
- **Advancing market transparency:** We advocate for GPs and assets to disclose climate-related data including in alignment with the TCFD recommendations. This increased transparency can empower market participants to make more informed investment decisions. Bolstering our efforts this year, we launched an initiative to support GPs in estimating their financed emissions, as discussed in the case study on pages 76-77.

PARTICIPATION IN INDUSTRY-WIDE INITIATIVES IN 2023

INITIATIVE		OUR INVOLVEMENT
TNFD Taskforce on Nature-related Financial Disclosures	**Task Force on Nature-related Financial Disclosures**	In 2023, we gave feedback on v.0.4 of the TNFD disclosure recommendations through the PRI's Global Policy Reference Group. Please see page 79 for further information. In addition, our Head of Responsible Investment conducted a teach-in session to University of New South Wales students regarding ESG and impact investing, which encompassed topics related to nature and biodiversity (including TNFD).
TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	**Task Force on Climate-Related Financial Disclosures** *Supporter since: 2019*[1]	In April 2023, we published our second annual TCFD report, which outlined our governance practices, strategy, risk management and metrics and targets. During the reporting year, we continued to take a proactive approach to post-investment engagement, by advocating for GPs to adopt TCFD recommendations within their investment and reporting.
initiative climat international Private equity action on climate change	**initiative Climat International** *Member since: 2021*	We participate in the iCI, a global community led by private markets firms and investors with a shared mission of proactively managing material risks linked to climate change. As part of the iCI's Private Credit Working Group, we collaborate with fellow members, leveraging experience and knowledge to help address climate-related financial risks. In 2023, we contributed to the creation of the "iCI Carbon Footprint Measurement – A Concise Guide For Companies and Their Lenders" by offering guidance during workgroup meetings. Please refer to the case study on the following page for more information.
IIGCC The Institutional Investors Group on Climate Change	**The Institutional Investors Group on Climate Change** *Member since: 2021*	We are a member of the IIGCC, a European body dedicated to actively addressing and leading on climate change matters. We participate in the IIGCC's Private Equity and Infrastructure workgroups. In the prior reporting year, StepStone actively participated in the feedback process for the IIGCC guidance for infrastructure assets and reached out to various infrastructure GPs to raise awareness and gather their feedback. The feedback received from GPs, alongside the collaboration of other infrastructure managers and asset owners, contributed to the development of the final framework. The resource, released in March 2023, provides specific guidance for asset managers and asset owners in the infrastructure sector to set targets aligned with sustainable investment practices. Since its release, we have used the resource to engage infrastructure GPs on climate change.
ESG Data Convergence Initiative	**ESG Data Convergence Initiative (EDCI)** *Member since: 2021*	The EDCI addreses the lack of standardization and comparability in ESG metrics and reporting in private markets, including with respect to climate-related metrics. These categories include GHG emissions and renewable energy. During 2023, we took part in the Private Credit Working Group sessions and LP focus group providing feedback and suggestions. In 2024, we joined the EDCI Steering Committee. Through these efforts, we help promote consistent methodologies and reporting standards, enhancing the comparability and reliability of climate-related data. This helps facilitate better-informed investment decisions across the financial market.

[1] Since 2024, the IFRS Foundation has replaced the TCFD in overseeing monitoring companies' climate-related disclosures. Concurrent with the release of its 2023 status report on October 12, 2023, the TCFD fulfilled its remit and disbanded.

CASE STUDY

Contribution to the iCI's Carbon Footprint Measurement Guide

Context

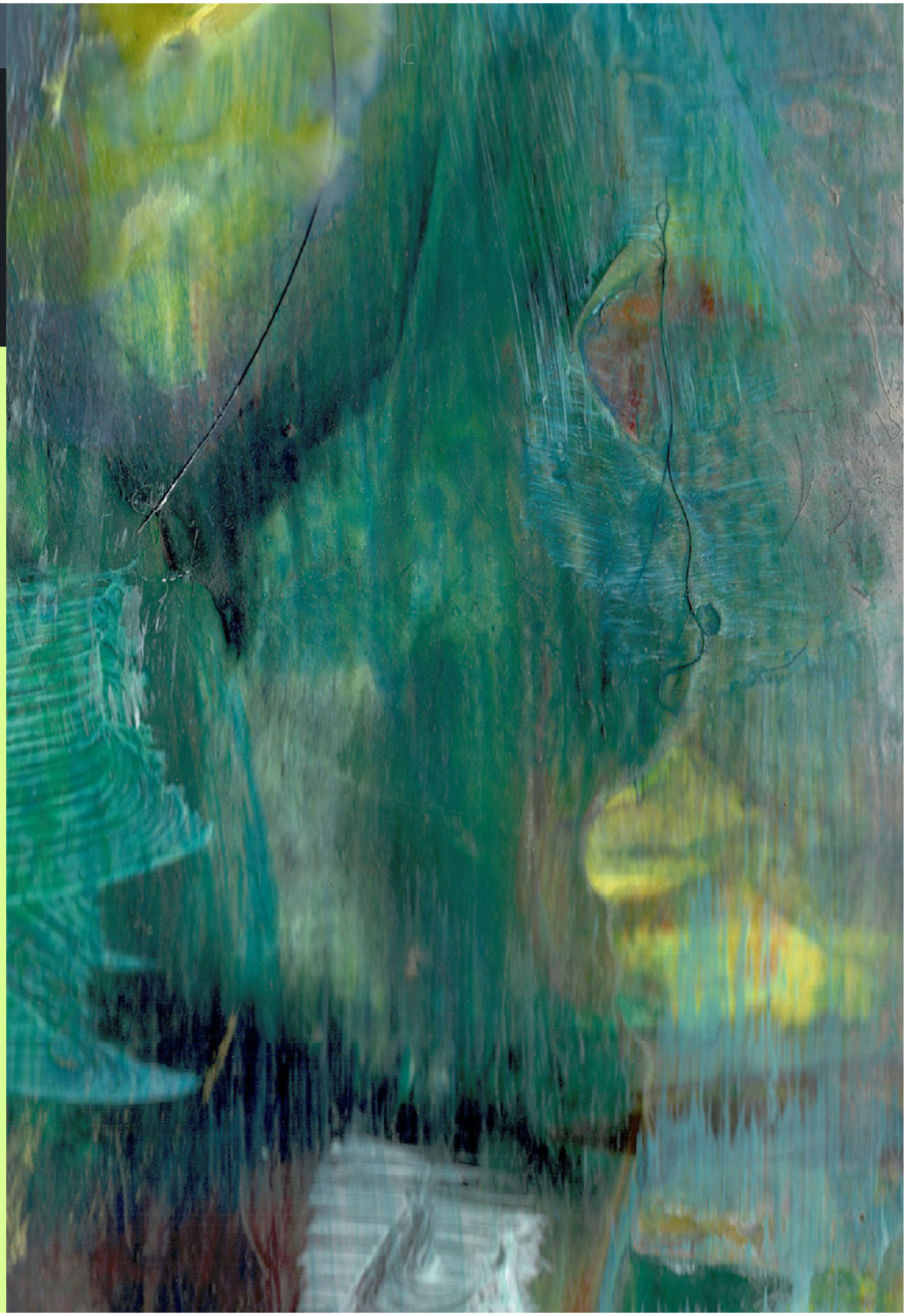
In 2023, the iCI published "iCI Carbon Footprint Measurement – A Concise Guide For Companies and Their Lenders," to provide companies and their fiscal sponsors, direct lenders and other debt-holders background and practical guidance for measuring and reporting GHG emissions.

Activity

As active members of the iCI's Private Credit Working Group, we collaborated with industry peers, pooling our collective experience and knowledge to help develop the guide during the reporting year. Industry organizations that the Working Group engaged with and sought feedback from include the PRI, European Leveraged Finance Association, Loan Syndications and Trading Association, CDP, Loan Market Association, Asia Pacific Loan Market Association and others. During the guidance development process, StepStone participated in meetings, provided input for the guide's content and reviewed and offered feedback on its materials.

Outcome

Drawing insights from globally recognized organizations and standards such as the GHG Protocol and the SBTi, the guide equips companies and their lenders with practical guidance on GHG emissions measurement and reporting. As outlined in the guide, there are several potential co-benefits of reporting and progressing on decarbonization plans, namely access to capital, cost and operational efficiencies and business resilience. Since its release, we have integrated the guide into our stewardship efforts, utilizing it to engage with private debt managers and advocate for enhanced transparency and reporting.



CASE STUDY

Ongoing Engagement and Stakeholder Collaboration: Innovation to Help Decarbonize the Energy System

Context

On behalf of our client, we co-invested in Scotia Gas Networks Ltd (SGN), which is one of the UK's largest gas distribution network owners, operating across Scotland, southern England and Northern Ireland. SGN also continues to grow in the non-regulated space by accelerating commercial opportunities. StepStone holds a seat on the Board.

In our 2022 Stewardship Report, we reported on our collaboration with SGN to support their H100 Fife project – a world-first green hydrogen-to-homes heating network on the Fife coast. This project seeks to provide an alternative solution to natural gas heating systems, which at present contribute around 20% of the UK's GHG emissions—a challenge that must be addressed to achieve the net-zero targets established by the UK and Scottish governments. We also reported on our engagement regarding clean hydrogen, in collaboration with SGN's management, other Board members and shareholders, and the efforts of wider stakeholders, which helped shape the development of new energy policy including the UK's Energy Security Bill.

Here, we present an update of our engagement activity during the reporting year. This case study highlights our dual role in addressing climate-related risks and opportunities:

- As a shareholder of SGN, where we seek to protect and enhance the value of the investment, and
- As a market participant, where we seek to contribute to enhancing the broader financial systems.

Addressing Climate Opportunities to Enhance the Investment: H100 Fife

StepStone and other SGN shareholders continued to support the H100 Fife project throughout the reporting year. In 2023, the project entered its construction phase, prompting a site visit from the shareholder group in support for the project, the SGN team and Fife community. Through a dedicated board subgroup created to monitor progress, shareholders supported the project team on various workstreams to enable the project to develop recognizing the challenges of such a first-of-a-kind type of project.

Addressing Climate Change to Enhance the Broader Financial System: Hydrogen for Net Zero

StepStone, the broader shareholder group and Gas Distribution Network's (GDN) corporate affairs functions ("the investor group") continued to engage with stakeholders in 2023 to highlight and explain the role of gas networks in securely decarbonizing the UK economy and the benefits of developing hydrogen and biomethane production. The investor group continued to actively engage with the UK's Department for Energy Security and Net Zero (DESNZ) officials, including written communications to the new Secretary of State for DESNZ, and meetings with Ministers and other key stakeholders. Alongside these efforts, the shareholder group engaged with the National Infrastructure Commission in response to the Second National Infrastructure Assessment to highlight key differences in cost assumptions required to decarbonize the economy in their analysis and policy recommendations.

In addition, StepStone and the wider SGN Board worked alongside the SGN team in responding to the consultation on hydrogen blending issued by DESNZ in September 2023, highlighting the importance of hydrogen blending to de-risk investments in hydrogen production, reduce reliance on natural gas and decrease GHG emissions, in line with other GDNs' responses. As market participants, we sought to utilize our knowledge and experience to engage with stakeholders on energy systems and financing from an infrastructure investor's perspective. In December 2023, DESNZ published its decision to support blending of up to 20 percent hydrogen into the UK distribution networks, marking a milestone in collective efforts toward achieving the country's net-zero ambitions. The government response to the consultation can be read here.

Thought Leadership

At StepStone, we seek to promote well-functioning markets and drive positive change across the industry. Through thought leadership and research, in 2023 we took a proactive role in helping to educate wider stakeholders on climate and biodiversity-related matters and its integration into the investment landscape, as discussed in the case study on the following page.

Additionally, members of the StepStone RI team regularly participate as speakers at industry events. For example:

- In December 2023, StepStone's Bhavika Vyas, Managing Director, moderated a panel during the third-annual AIF Global Institute Sustainable Investing Symposium on sustainable investing, opportunity and risk in the current market environment.
- Bhavika also hosted a session on "Opportunities at the Leading Edge of Decarbonization" at the 100 Women In Finance's Global Fund Women Week Conference.
- Peter Dunbar, Principal, spoke on a panel at SuperInvestor titled "From greenwashing to greenhushing." He addressed the importance of high ESG standards in private equity while navigating how to drive value without falling into either greenwashing or greenhushing.

CASE STUDY

Exercising Thought Leadership to Promote a Well-Functioning Market

Whitepaper: An Introduction to Carbon Credits and Offsetting

In our whitepaper published in November 2023, we assessed the merits and shortcomings of carbon markets and the factors investors should consider when contemplating whether to participate in this fast-growing but complex market. We developed this publication to educate the wider financial market on the developing role of carbon markets in effecting a low-carbon economy, including:

- Offering a means to reduce the emissions of sectors that do not currently have access to commercially viable technologies or alternative business models to achieve meaningful supply chain abatement in the short to medium term.
- Creating a pricing signal to incorporate the cost of GHG emissions into the economy, which will weaken the competitiveness of carbon-intensive models and enhance that of low-carbon business models.
- Facilitating a cost-efficient transition to net zero, which will seek to minimize the impact on society and help to retain public support.
- Supporting the development of environmental markets that seek to put a price on the ecosystem services provided by Earth's natural capital.

The whitepaper notes: *"The practice of purchasing credits to 'offset' one's emissions has attracted positive and negative attention from the media, academia and the investment community owing to the perceived financial opportunity and criticisms regarding environmental efficacy and integrity. While we agree with some of the criticisms, the desire to construct a perfect offset market should not be an obstacle to the development of a good one. While there are shortcomings that need to be, and are being, addressed by the industry, overall, offsetting can be a net positive for Earth's climate, the environment more generally, and local communities."*

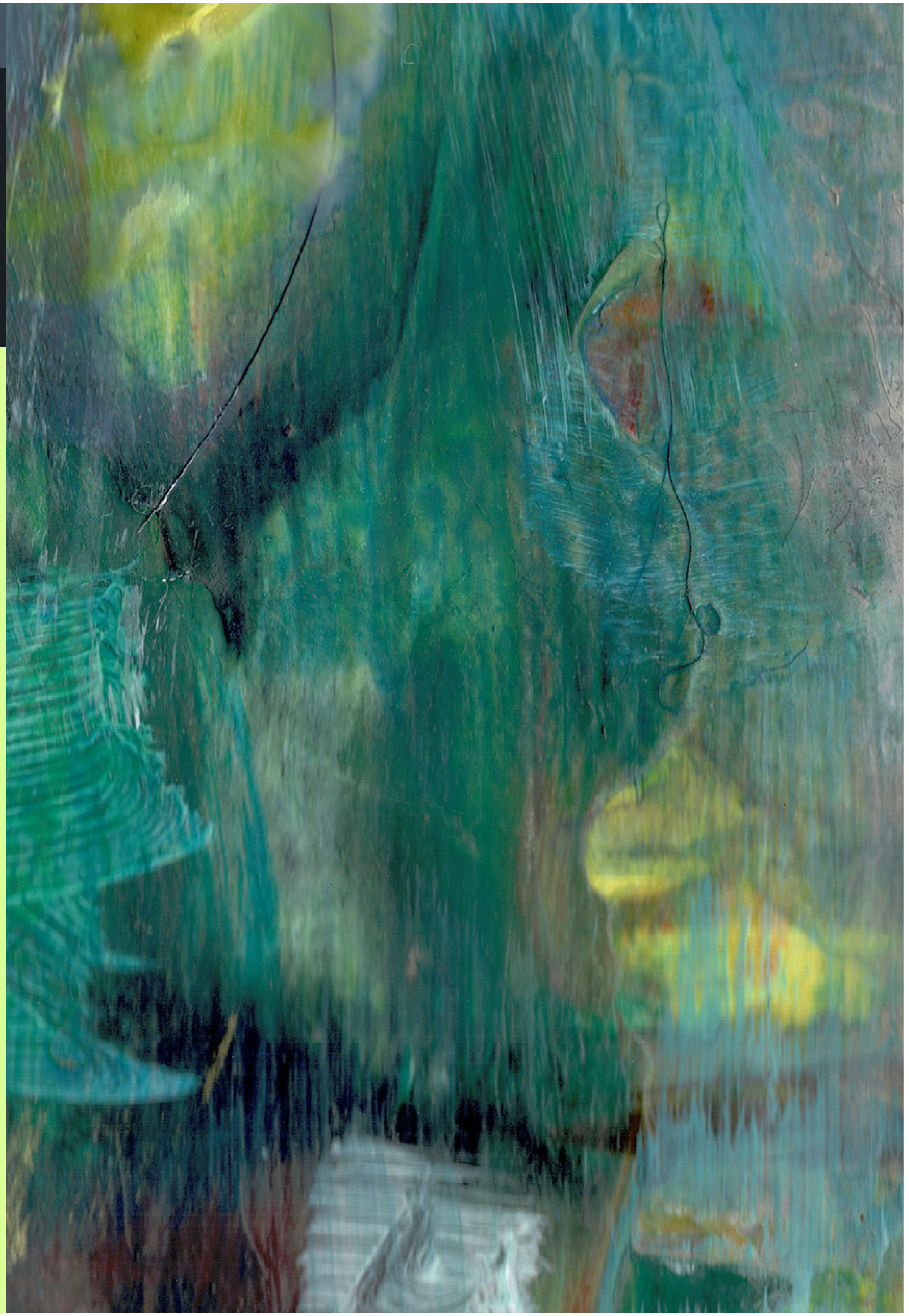
Read the paper here.

Reflections on Private Markets Podcast: Nature-Based Investing

In episode 26 of our podcast, released in February 2023, our Head of Responsible Investment delved into nature-based investing and explored how society is beginning to properly value the myriad benefits of nature. She also discussed how this shift is reshaping the financial landscape.

This podcast builds on our 2022 whitepaper, "We Don't Value Nature," which examined the significance and impact of this trend on the financial markets, urging stakeholders to identify and treat nature as a vital asset. Listen to the podcast here.

Through our podcast and whitepaper, we provided insights and actionable recommendations, encouraging investors to proactively consider investing in nature. By illustrating how those who take action now can achieve strong returns, we further described the potential advantages of capital allocation toward sustainable investments and the role such investments play in facilitating the transition to a nature-positive economy. By providing insightful analysis and practical recommendations on this topic, StepStone aims to shift the industry's perception and action toward nature-related risks and opportunities.



Climate Management Across Our Operations

Environmental Performance

Addressing Climate Change Within Our Operations

At StepStone, we measure and report emissions within our operations on an annual basis and seek ways to reduce our carbon footprint. We implemented tailored emissions reduction initiatives across our global offices, including introducing recycling protocols and transitioning to a paperless environment. Additionally, we have incorporated targeted climate-related inquiries into our vendor due diligence. These questions are designed to understand and assess our vendors' environmental commitments, specifically focusing on their strategies to reduce or offset emissions, targets set and initiatives implemented. We have been a carbon-neutral company within our operations since 2019 and aim to remain so going forward.

In 2023, we continued to remain a carbon-neutral company within our operations for the fifth consecutive year.

Energy-Efficient Offices

We have also taken steps to increase energy efficiency and other sustainability-related matters in our office buildings. Our Beijing, Chicago, Cleveland, Frankfurt, La Jolla, San Francisco, Seoul and Toronto offices have obtained LEED certification for their sustainable and efficient energy use. In London, our office is BREEAM-certified, adhering to high standards in sustainable design, construction and operation. Our Tokyo office aligns with ISO 14001, showcasing a commitment to environmental management. Our Sydney office has obtained carbon-neutral certification and a five-star energy rating as part of the Australian Nationwide House Energy Rating Scheme.

SPOTLIGHT

StepStone's Earth Day Observance with Steps 2 Green

Our environmentally focused employee resource group, Steps 2 Green, promoted numerous Earth Day events in 2023. For example, our Baltimore team collected 1,830 pounds of rubbish at their Project Clean Stream event. Meanwhile, our Beijing team planted trees at a local park and our Cleveland team participated in a recycling event at The Ronald McDonald House. Our New York office collected 60 bags of weeds from a coastal area and our Sydney office collected rubbish from a local park. Throughout the year, Steps 2 Green members raised awareness of climate issues across our offices and outlined steps our colleagues can take to help reduce both StepStone's operational and their own personal environmental impact.

Our Corporate Emissions

As in prior years, we disclose the emissions associated with our operations during the calendar year. In 2023, our emissions slightly decreased across the year due, in part, to our efforts to collect more activity-based data to measure emissions, which helped enhance data quality. We continue to seek opportunities to manage our corporate emissions.

Top Three Quantified Emissions (tCO_2e) in 2023

Air Travel	Professional Services	Food and Catering
7,928	2,059	1,685

Greenhouse Gas Emissions (tCO_2e)

	2022	2023
Scope 1: Direct Emissions	0	0
Scope 2: Indirect Emissions	313	373
Scope 3: Other Indirect Emissions	16,500	14,541
Total Emissions	**16,813**	**14,914**

- Gases included in the calculation are CO_2, CH_4, N_2O, HFCs, PFCs and SF_6.
- The base year is calendar year 2023.
- Pathzero, our carbon footprint consulting partner, uses AR5 in line with the GHG Protocol.
- Pathzero uses an operational control approach for emissions.
- Pathzero platform is created in line with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard, the WRI GHG Protocol Scope 2 Guidance and the WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Scope 3 GHG emissions categories included: purchased goods and services, fuel- and energy-related activities, waste generated, business travel, employee commuting and leased assets. Pathzero follows the relevance test from the GHG Protocol to decide which emissions need to be included in the inventory. See the GRI Content Index for further information.

Offsetting Our Emissions

While we continue to seek opportunities to reduce emissions from our operations, since 2019 we have supported various sustainable development projects to help offset our residual emissions from our operations. For our 2023 emissions, we continued to fund the following projects:

Brazilian Landfill Gas (LFG) Project[1]

This project is designed to capture, flare and generate electricity from landfill gas (LFG) produced in anaerobic conditions at CTR Macaúbas, located in Sabará, Minas Gerais, Brazil. This will reduce greenhouse gas (GHG) emissions from landfill by burning CH_4 in flares or generators. The electricity generated will be added to the Brazilian national grid, reducing the need for energy from fossil-fueled thermal plants and promoting sustainable development at the regional and national levels.

Anew - North Maine Woods Forestry Project

The North Maine Woods Forestry Project encompasses 86,221 acres of northern hardwood and northern conifer forest located in NW Somerset County, Maine. This project is designed to remove carbon from the atmosphere, with the goal of outcompeting pulp markets through the revenue generated from carbon offsets, enabling forest managers to extend rotation ages across the property. This approach allows forest managers to move away from faster-rotation pulpwood management and toward sustainable forestry practices.

Carbon Neutral Company
Pathzero

Pathzero's mission is to accelerate the decarbonization of the world economy by making the necessary tools available to companies. StepStone is pleased to be certified as Carbon Neutral by Pathzero.[2]

[1] Please note that the image used is a stock photo for illustrative purposes; it is not directly related to the project or its location.
[2] For the period January 1, 2023 - December 31, 2023.

Talent Attraction,
Development and Retention

Diversity, Equity and Inclusion

Philanthropy

People and Society

People and Society

Talent Attraction, Development and Retention

At StepStone, we value collaboration, learning, growth and belonging. We invest in the growth of our employees and provide a collegial, supportive and intellectually stimulating environment where everyone can thrive.

An Inclusive Approach to Talent Attraction

We seek outstanding talent and prioritize individuals who not only possess the necessary skills but also demonstrate a genuine passion for our industry. Our approach focuses on building a diverse talent pool by extending beyond traditional partners to reach a diverse array of candidates, including nontraditional schools that often represent untapped pools of talent. We also partner with organizations on events and programs that are working to support groups who are underrepresented in the finance industry.

Additionally, we offer internships each year, which not only provide opportunities for college students to gain industry experience and network but also provide us with another way of connecting with diverse talent who have the potential to become part of the StepStone team.

Pensions&Investments

In 2023, we were honored to be named one of the Best Places to Work in Money Management by *Pensions & Investments*, an annual survey dedicated to identifying and recognizing the best employers in money management.

SPOTLIGHT

Supporting WAVE's 7th Annual Career Forum

In 2023, StepStone sponsored WAVE's seventh-annual Women in Alternative Investments Career Forum in New York City. The evening before the event, we hosted WAVE scholars in our New York office, where members of the StepStone team met with a talented group of women with the potential to become future leaders in the finance industry. At the Forum, our Global Head of Talent Acquisition, Michael Bajda, and Partner, Lindsay Creedon, met with scholars to discuss career opportunities at StepStone. Laura White, a member of StepStone's Private Equity team, participated in a panel discussion sharing advice on breaking into alternative investments and growing your career.

Nurturing Talent

We make significant efforts to see that the candidate experience offers every individual a chance to understand StepStone, while also providing a fair and equitable recruitment process that supports equal opportunities. For new employees, the onboarding experience is designed to build on their learning to help them have a successful first 90 days. We aim to empower each of our employees to fulfill their potential as exceptional private market professionals by providing extensive resources, training programs, well-defined career advancement pathways and mentorship and sponsorship opportunities. Driving these efforts is our Head of Global Talent, who oversees the entire candidate-to-employee journey and executes the firm's global learning and talent development strategy.

The StepStone Mentor Program

StepStone believes in the importance of continuous learning and growth, extending beyond traditional methods to encompass curiosity and interpersonal communication and leveraging the experiences and guidance of others. As advocates for lifelong learning, we believe mentorship is a powerful resource for developing our employees' personal and professional growth.

Through our mentorship program, we seek to empower our employees on their learning journeys. This structured six-month initiative occurs twice a year and connects individuals seeking career guidance with seasoned professionals within the organization. We also have a First Year Mentor Program for our newest team members. By pairing them with established colleagues, we aim to facilitate an onboarding experience that immerses newcomers in their roles, teams and the broader company.

In 2023, over 200 mentees were matched with 113 mentors through the StepStone Mentor Program.

Training Our Professionals

Training at StepStone is a combination of formal and informal programs to support our employees in acquiring the leadership, analytical and communication skills critical to their professional success. In order to deliver an environment that fosters professional development, StepStone provides various avenues to obtain technical and people skills, including e-learning opportunities, live webinars and interactive workshops. An example of our training programs include:

LEARNING TOPIC	NUMBER OF PARTICIPANTS IN 2023
Emotional Intelligence – Real-World Tools	>135
Interview Training	~75
Psychology of PowerPoint	>55

SPOTLIGHT

2023 U.S. Summer Intern Program

More than 65 interns join us for our 2023 U.S. Summer Intern Program. Reflecting on their experience, our interns said they learned new skills, gained confidence, further defined their career paths and made long-lasting friendships from their time at StepStone.

"StepStone's position in the market is so unique. When you come in as an intern you get this fast-track learning experience into the whole venture ecosystem in such a short space of time."

Developing Our Managers

We offer a variety of training programs to develop our managers. Underpinning our approach is the 4E Framework, which we introduced in 2022 to provide structured guidance for employees with managerial responsibilities. This framework covers four capabilities that can be used in combination with one another and applied to a range of situations:

- **Empathy:** Understand them
- **Engagement:** Connect with them
- **Empowerment:** Develop them
- **Expectations:** Direct them

In 2023, more than 100 employees completed Level 1 Manager Bootcamp and more than 230 completed Level II.

In 2023, we introduced Manager Essentials, a series that addresses key topics for effective management and inspires managers to take simple steps to enhance their leadership capabilities. Sessions included "Onboarding New Hires" and "Effective 1:1s with Team Members."

For new and mid-level managers, we offer a Manager Bootcamp that covers the fundamental skills we believe are required for good leadership. The series is divided into two levels: Level I Manager Bootcamp is an intensive four-session series available for all people managers at StepStone, while Level II Bootcamp offers stand-alone workshops on topics such as delegation for growth and development, remote and hybrid team management, managing team conflict, dealing with difficult performance conversations and more.

Supporting Our Employees to Advance Their Careers

Elizabeth Ferry, Head of Operational Due Diligence, participated in StepStone's Sponsorship Program in 2023. Here, she shares more details about her experience in the program and at StepStone.

What did you take away from the program?
The program helped me appreciate the importance of building a broad network with different people who can serve as mentors, supporters or sounding boards. It also reinforced that, to grow, you need to go outside your comfort zone—and this, while sometimes scary, will also increase your confidence in the process. Also be thoughtful about the type of leader you want to be and how this aligns with your values. From a personal perspective, it reminded me to carve out time to assess my life goals and be intentional about creating a plan to achieve them.

How have you applied the StepStone 4E Framework (Empathy, Engagement, Empowerment and Expectations)?
I lead by example and try to foster a team culture focused on teamwork, continued learning, empathy and integrity. I care about the people who I work with and take the time to learn about them as individuals. The more people feel valued, the more engaged they are likely to feel, which increases productivity. I also encourage my team to provide regular feedback, which is key to our development.

How can others support their own learning and development?
StepStone understands the importance of investing in human capital and prioritizes employee development through lots of initiatives on various topics, such as presentation skills, time management and delegation, conflict management and effective feedback. There are also recordings available with senior leaders at the firm sharing their career journeys, as well as a "Summer Series," where various teams present an overview of their team, responsibilities and how they fit within the organization. These are all great resources. I would also encourage new joiners to participate in the mentorship program, which is a great way to grow your network and support your career development.

Building the Next Generation of Leaders: StepStone's Sponsorship Program

StepStone's Sponsorship Program identifies and nurtures mid-level professionals who exhibit leadership potential. Participants undergo a 360 review to help identify their areas of strength and areas for future growth to help them become more effective leaders and managers. StepStone pairs each participant with an internal, partner-level sponsor and an outside executive coach to create an individual growth and development plan.

In 2023, seven participants from six departments participated in our Sponsorship Program. Each year, we continue to see alumni of the program take on greater leadership roles within the firm, including promotions to partner and managing director levels.

In 2023, we worked with a consultant to examine the impact of our sponsorship program. It included interviews and a focus group with program participants, sponsors and members of our leadership team.

Participants said the program provided a clear pathway to advancement within the company and positively influenced their leadership journey by providing access to diverse perspectives from across the organization. Many participants said they found the program to be highly beneficial, and several said the program fostered the development of crucial soft skills, such as self-advocacy, a leadership mindset and enhanced decision-making capabilities. The study also highlighted areas for improvement, such as enhancing networking opportunities for participants.

Catalyst Series

Our Catalyst Series provides a space for senior team members to share their professional journeys and milestones to inspire and inform their colleagues. In spring 2023, the theme was "Managing Uncertainty," where a number of our senior professionals shared their experiences about how they navigated periods of uncertainty in their careers and the lessons learned along the way.

Summer Series

Our Summer Series is an annual learning opportunity for our interns, recent graduates and employees who would like to learn more about StepStone. Hosted by senior members of the StepStone team, sessions in 2023 included Building Your Brand and Networking in Business, Private Markets 101 and Technology at StepStone, among many others.

Performance Management

We seek to provide an environment that fosters communication and professional development. StepStone deploys both a mid-year check-in and an annual year-end performance review process to guide development and success for each employee. Performance reviews are a joint process between the employee and their supervisor and help identify key activities and accomplishments throughout the year, review performance against set goals and provide guidance on strengths and development opportunities. They are also an opportunity to develop career growth goals and development plans.

Benefits and Rewards

We have a dynamic, performance-driven compensation framework that includes base salaries, cash bonuses, contributions to 401(k) plans and profit-sharing. As a publicly traded entity, we also have a long-term incentive plan. This program extends the opportunity for eligible employees to receive various equity-based rewards, including restricted stock units.

We also offer broad-ranging benefits that support the health and well-being of our employees and their families, including generous medical, dental and vision plans and a wellness program through our Modern Health Program. Additionally, we offer a student loan repayment program to eligible employees in the United States who have completed at least six months with StepStone. This program provides monthly contributions towards the repayment of their student loans.

Support for New Parents

The parental leave policies across our offices provide parents with paid leave following the birth, adoption or fostering of a child. Understanding the challenges that may come with balancing parenthood and employment, we also provide new parents with additional support that varies across offices. Support may include covering the cost of work travel, accommodation and meals for those who need to travel with infants in the first 12 months after returning from leave and reimbursing mothers for the cost of sending breast milk home while traveling for business. To provide a comfortable and accommodating environment for nursing mothers, we have wellness rooms in key office locations. Additionally, new parents have access to coaching that spans pre-birth support through the leave and return-to-work phase.

Modern Health Program

Our Modern Health Program offers employees and their dependents access to personalized resources to help them maintain mental wellness and optimize their overall quality of life.

The program begins with a personal assessment to understand the specific needs and objectives of participating employees. Subsequently, a plan is developed to assist them in cultivating healthy habits and achieving their desired goals.

Diversity, Equity and Inclusion (DEI)

At StepStone, our commitment to DEI is deeply ingrained in our culture. We firmly believe that embracing a diverse range of backgrounds and experiences drives innovation and helps us deliver exceptional results for our clients.

Our DEI Guiding Principles

A Level Playing Field

that provides everyone the chance to develop and advance

An Inclusive Culture

where every colleague is invited to contribute freely

Improved Performance

through enhanced analysis, debate and decision-making

DEI Committee

Overseeing our DEI efforts is our DEI committee, comprised of leadership and team members from across our global organization. The committee is responsible for expanding our DEI efforts and performance and organizing events and activities to further integrate our DEI guiding principles throughout our company culture.

StepStone Employee Resource Groups (ERGs)

Our employee resource groups are employee-led, open to all and founded with a mission to create a supportive community and foster increased belonging and inclusion. Whether it is celebrating cultural heritage, promoting gender equity or championing sustainability, each ERG provides a space where different perspectives are valued and voices are heard. Our ERGs include:

- StepOut
- Parents
- Steps 2 Green
- UNIDOS
- Pan-Asian
- Women in StepStone (WINS) *New for 2023*

SPOTLIGHT

Introducing WINS ERG: Empowering Women in Investment

In 2023, we launched WINS, our dedicated ERG for everyone at StepStone looking to help women achieve their full potential in their professional lives. It also provides resources and support to help employees manage work-life balance.

WINS Mission Statement

Share: Provide resources and information to help women advance in their careers, including sponsoring events on a local, regional and global basis

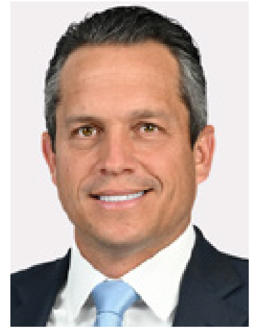
Connect: Build a global women's network at StepStone

Support: Provide a safe space for employees to share concerns and experiences

DEI COMMITTEE

Lindsay Creedon
Partner, Head of Diversity, Equity and Inclusion

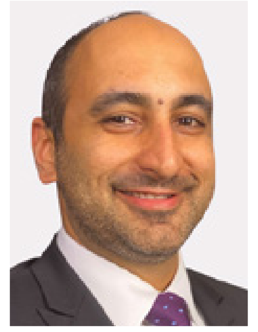
Jose Fernandez
Partner, Co-COO



Scott Hart
Partner, CEO

Jennifer Ishiguro
Partner, Chief Legal Officer and Secretary

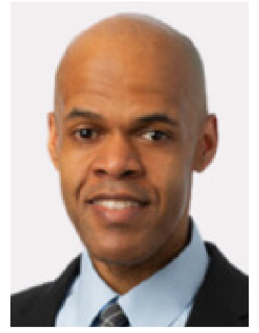
Alesia Dawidowicz
Managing Director, Private Debt



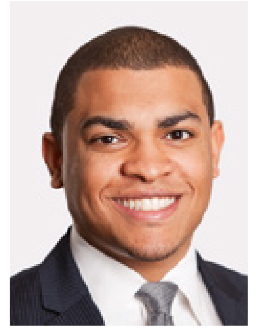
Nitin Malik
Managing Director, Head of Global Talent

Anja Ritchie
Managing Director, Real Estate

Eden Lawrence
Director, Private Equity



Corey Wilkins
Director, Enterprise Services



Brian Delpit
Principal, Private Equity

Josie McVitty
Principal, Infrastructure and Real Assets

Throughout 2023, our ERGs hosted and participated in activities to foster inclusion and support diversity within StepStone and our communities.

StepOut: Showing Our Pride

StepOut, our LGBTQ+ ERG, hosted a vibrant series of events over Pride month to celebrate the community and their allies, including our second annual StepOut Pride 5K. StepStone employees completed 5K runs to support Trinity Place Shelter, an organization that supports homeless LGBTQ+ youth and young adults in New York City to safely transition out of the shelter system and grow into independent, positive and productive adults.

Parents: Supporting Parents Across StepStone

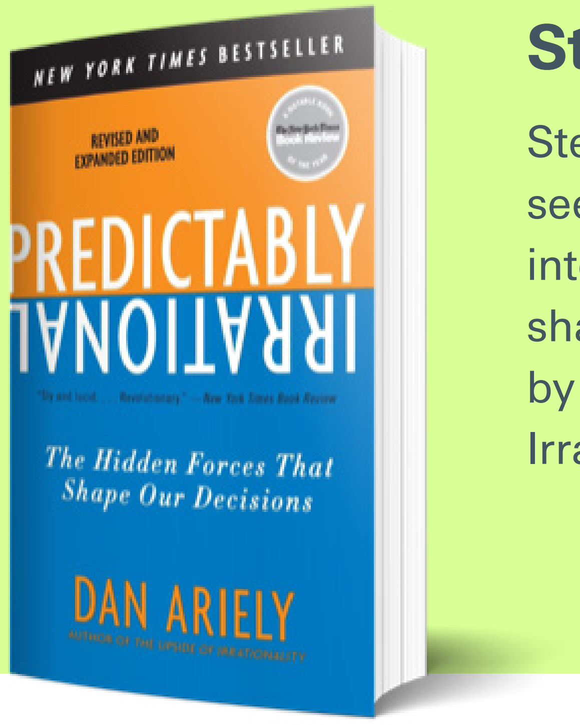
Our Parents ERG held many events throughout 2023, including Take Your Child to Work Day across multiple offices, lunch sessions and Autism Speaks and Buddy Walk/StepUp for Downs Syndrome walks.

Steps 2 Green: Tackling Climate Change

Our environmentally focused ERG, Steps 2 Green, hosted a seminar with OzHarvest, an advocate for food waste reduction in Australia. The session delved into the connection between individual actions, food waste, and its implications for climate change and provided StepStone employees with practical tips and actionable steps to reduce food waste in their own kitchens.

Pan-Asian: Expanding Awareness

Hosted by the Pan-Asian ERG, StepStone employees had the opportunity to engage in a discussion on the intricate landscape of U.S.-China relations with guest Rorry Daniels, Managing Director of the Asia Society Policy Institute. With the global economy inextricably tied to the dynamics between these two nations, the event served as a valuable opportunity for our team members to gain firsthand insight into the current state of affairs.



StepStone Reads: Book Club

StepStone Reads, our firm-wide book club, seeks to foster a culture of learning and intellectual curiosity. In 2023, members shared their insights on books recommended by our team members, including "Predictably Irrational" by Dan Ariely.

2023 Gender and Ethnic Diversity Overview

We monitor the representation of employees in our workforce who self-identify as women or non-binary and racially/ethnically diverse year after year.[1] Key to our DEI efforts is our focus on inclusive hiring practices and support of initiatives that promote a more diverse talent pool in the industry as a whole. We believe there is more progress to be made both internally and across the broader industry and will continue to update stakeholders on our efforts in our annual RI report.

2023 Gender and Ethnic Diversity Overview

	Board of Directors	Partners	Senior-Level Professionals	2023 Hires	2023 Promotions
Women or Non-Binary	22%	17%	32%	35%	33%
Racially/Ethnically Diverse	22%	15%	25%	31%	31%

Diversity Across Employment Levels[2]

	2021		2022		2023	
	Women or Non-Binary	Racially/ Ethnically Diverse	Women or Non-Binary	Racially/ Ethnically Diverse	Women or Non-Binary	Racially/ Ethnically Diverse
Junior Level	44%	36%	42%	38%	40%	37%
Mid Level	31%	25%	36%	30%	36%	27%
Senior Level	30%	20%	33%	19%	32%	25%
Partners	19%	15%	16%	15%	17%	15%
Total	**37%**	**30%**	**37%**	**32%**	**36%**	**31%**
Overall Diversity	**52%**		**54%**		**54%**	

[1] StepStone employees reside in a variety of jurisdictions, including outside of the United States, and reporting on diversity statistics are constrained by local laws and our own reporting methodology. For example, there are constraints on our requesting and tracking diversity statistics (e.g., gender identity, etc.) in certain locations outside of the United States. In addition, StepStone measures diversity in the context of the particular jurisdiction; in some cases, someone who would be considered diverse in one jurisdiction would not be considered diverse in another. In addition, some employees do not provide information regarding their gender or race/ethnicity, but are still included within the total employee population.

[2] Metrics are shown as of January 31 of the subsequent year and include Greenspring Associates employees onboarded in 2021. Junior level includes entry-level through Senior Associate; Mid-level includes Vice President and Director/Principal; Senior level includes Managing Directors; and Partners includes Partners. Levels may also include those with equivalent roles and responsibilities.

- In 2022, we started gathering data on employees who self-identify as non-binary in the United States only due to constraints in other jurisdictions. At present, fewer than one percent of our employees self-identify as non-binary. We seek to foster a work environment where everyone feels welcome and all gender expressions and identities are celebrated.
- The 2022 and 2023 Overall Diversity metrics include all employees across offices where such data was available, including those who self-identify as women or non-binary and/or self-identify as racially/ethnically diverse. These metrics do not double-count any employees who self-identify as women/non-binary and racially/ethnically diverse. Our 2021 overall diversity metrics include all employees who self-identify as women and/or racially/ethnically diverse. These metrics do not double-count any employees who self-identify as both.

Diversity Among New Hires[1]

	2021		2022		2023	
	Women or Non-Binary	Racially/ Ethnically Diverse	Women or Non-Binary	Racially/ Ethnically Diverse	Women or Non-Binary	Racially/ Ethnically Diverse
Junior Level	37%	35%	41%	41%	34%	32%
Mid Level	29%	41%	47%	33%	41%	22%
Senior Level	25%	0%	36%	7%	40%	40%
Partners	N/A	N/A	0%	0%	0%	0%
Total	**36%**	**34%**	**41%**	**38%**	**35%**	**31%**
Overall Diversity	**55%**		**61%**		**53%**	

Diversity Among Promoted Employees[2]

	2022		2023		2024	
	Women or Non-Binary	Racially/ Ethnically Diverse	Women or Non-Binary	Racially/ Ethnically Diverse	Women or Non-Binary	Racially/ Ethnically Diverse
	36%	30%	41%	31%	**33%**	**31%**
Overall Diversity	**54%**		**55%**		**51%**	

[1] Metrics are shown as of December 31 for each year. The 2021 figures exclude employees who joined as part of the Greenspring acquisition.
[2] Metrics are shown as of January 31 for each year, following promotion announcements that occurred in January. Metrics include Greenspring Associates employees onboarded in 2021.

Partnerships to Promote a Diverse Investment Industry

We work with organizations that share our vision to empower underrepresented groups within the investment sector. Together, we provide enhanced avenues for personal and professional growth, along with valuable networking opportunities.

In 2023, members of the StepStone team participated in numerous events highlighting women and their impact in the private markets. Highlights included:

- In December 2023, Bhavika Vyas, Managing Director, attended The Private Markets Florida Meeting, joining other accomplished women investors who spoke on the "Women Leading the Way in Private Markets" panel. Together they offered their perspectives on building a diverse portfolio and how they have paved the way for success in private markets.
- StepStone's Private Debt team partnered with 100 Women in Finance to host an education session at our Zurich office. Attendees networked and shared on the characteristics of the asset class, current trends and the outlook for the year ahead.

In 2023, Omolara Oyedeji, Senior Analyst from StepStone's Real Estate team, was appointed to the Fellow's Board of Making the Leap, a UK-based social mobility charity.

Omolara joined StepStone in 2019 after completing the Making the Leap StepStone Scholar Program, an extension of Making the Leap's ACE program. Increasing social mobility and opportunities for individuals from all backgrounds is an important value to us. We are pleased to see the ripple effect that can be created through these programs, helping more people reach their full potential.

AWARDS AND RECOGNITIONS

Lindsay Creedon, Partner and Co-Head of Private Equity Co-Investments, was commended in *Pensions & Investments* 2023 Influential Women in Institutional Investing.

Ariel Goldblatt, Partner, and **Seyonne Kang,** Partner, were both recognized in Private Equity International's Women of Influence in Private Markets List.

Bhavika Vyas, Managing Director, was selected as one of Kayo's Top 23 in '23 - Women Leaders in ESG and Sustainable Investing.

Philanthropy

Through philanthropic contributions, employee giving and collaboration, we strive to help local communities thrive. We aim to make a positive impact and contribute to the well-being of the areas in which we operate.

StepStone Giving

Our senior-level Charitable Giving Oversight Committee leads our corporate philanthropic efforts. Our giving is aligned to key themes that resonate with the firm's values, including health, education and economic advancement. The committee reviews charitable giving opportunities through a robust governance framework.

Stepping Up: Employee Giving

We encourage our employees to have a positive impact where they live and work through our Volunteer Time Off program. It provides employees with up to 16 hours paid time off per year to volunteer in their communities.

YourCause: Matching Dollars Doubled

To align with the causes that matter most to our employees, we established our donation matching program, YourCause. We match employee donations of up to $400 per year to a charitable cause of their choice. This amount has doubled since 2022.

StepStone Charity Challenge

From February 20 to April 2, 2023, we held a Charity Challenge in collaboration with YourCause and Volunteer Time Off, creating an opportunity for our employees to make a difference. Over six weeks, participants had the chance to engage in charitable giving in various ways while accumulating Wellable Points to track their physical activity. Whether individually or as part of a team, this challenge was an opportunity to contribute to the causes they care about and forge new connections with colleagues.

Disaster Relief

We support humanitarian relief in response to disaster and other emergency situations. In 2023, we provided charitable funding and matching gifts to organizations including the Positively Kai Foundation to help those affected by wildfires in Maui, Hawaii and Cruz Roja Mexicana, I.A.P. in the aftermath of hurricane Otis that hit Acapulco, Mexico.

COMMUNITY ENGAGEMENT HIGHLIGHTS 2023

StepStone Real Estate's Cleveland office provided cleaning supplies and snack bags to residents in Ohio after a train derailment released toxic fumes into the community. Collaborating with The Way Station, the team assembled and delivered approximately 30 buckets filled with cleaning supplies and snacks to a senior housing community.

Colleagues from StepStone's Sydney, Australia, office collected rubbish from a local park as part of a series of events promoted by our environmentally focused employee resource group, Steps 2 Green. Throughout 2023, Steps 2 Green promoted numerous Earth Day events around our offices.

Employees participated in a community outreach event in Baltimore, packing approximately 200 lunches for a local agency that supports the homeless.

Other organizations supported included:

ALIMA | cbm christian blind mission | COVAX | girls who code | GiveWell | International Rescue Committee | Room to Read | World Central Kitchen | WFP World Food Programme

Appendices

Appendices

GRI Content Index

Disclosure	Description	Response and Location
GRI 2: General Disclosures 2021: 1. The organization and its reporting practices		
2-1	Organizational details	• **Name:** StepStone Group Inc. (Nasdaq: STEP) is a global private markets investment firm focused on providing customized investment solutions and advisory, data and administrative services to its clients. "We," "us," "our," "StepStone" and similar terms refer to STEP and its consolidated subsidiaries, including StepStone Group LP, a Delaware limited partnership. • **Location of Headquarters:** 277 Park Avenue, 45th Floor, New York, NY 10172 • **Telephone:** (212) 351-6100 • **Countries of Operation:** We operate in 16 countries. Please refer to our webpage. • **Services and key activities:** Please refer to our Form 10-K, Our Company, p. 8–31.
2-2	Entities included in the organization's sustainability reporting	All consolidated entities of StepStone Group are included in this report. Please refer to p. 81-82 of our 10-K for information on our business structure.
2-3	Reporting period, frequency and contact point	• **ESG reporting period:** January 1, 2023 - December 31, 2023 • **Fiscal year end:** March 31st • **Publication Date:** April 2024 Please contact us at ESGreport@stepstonegroup.com for questions or comments about this report.
2-4	Restatements of Information	None
2-5	External assurance	StepStone did not seek external assurance for the 2023 RI Report. The annual financial statements are assured by Ernst & Young LLP.

Disclosure	Description	Response and Location
GRI 2: General Disclosures 2021: 2. Activities and workers		
2-6	Activities, value chain and other business relationships	**Refer to:** • Form 10-K, Our Company, p. 8–31.
2-7	Employees: (a) permanent employees, and a breakdown by gender, race or ethnicity, and by region; (b) temporary employees, and a breakdown by gender, race or ethnicity, and by region; (c) non-guaranteed hours employees, and a break-down by gender, race or ethnicity, and by region; (d) full-time employees, and a breakdown by gender, race or ethnicity, and by region; (e) part-time employees, and a breakdown by gender, race or ethnicity, and by region;	(a) Total: 988 • Women: 357 (36%), Males: 618 (63%), Nonbinary: 1 (<1%), Did not Disclose: 12 (1%) • White: 633 (64%), Asian: 192 (19%), Hispanic: 63 (6%), African American: 39 (4%), Two or More Ethnicities: 37 (4%), Native American or Alaskan Native: 1 (<1%), Native Hawaiian or other Pacific Islander: 1 (<1%), Did not Disclose: 22 (2%) (b) We do not track this information for temporary employees. (c) There are no non-guaranteed hours for employees. (d) Total: 983 • Females: 353 (36%), Males: 617 (63%), Nonbinary: 1 (<1%), Did not Disclose: 12 (1%) • White: 628 (64%), Asian: 192 (20%), Hispanic: 63 (6%), African American: 39 (4%), Two or More Ethnicities: 37 (4%), Native American or Alaskan Native: 1 (<1%), Native Hawaiian or other Pacific Islander: 1 (<1%), Did not Disclose: 22 (2%) (e) Total: 5 • Females: 4 (80%), Males: 1 (20%) • White: 5 (100%)
2-8	Workers who are not employees	There are six independent contractors engaged in work related to business development and research.

Disclosure	Description	Response and Location
GRI 2: General Disclosures 2021: 3. Governance		
2-9	Governance Structure	Of the nine members of the Board of directors of StepStone Group Inc., three are independent and form the Audit Committee. Additional Board Committees include a Compensation Committee and the Nominating and Corporate Governance Committee, both of which consist of two members of the Board. Five members of the Board are executive officers, non-executive officers or partners of the firm, and four members are outside directors (including the three independent directors). The Board includes two women and two members of racial or ethnic minorities. **Refer to:** • Board of Directors webpage • Corporate Governance webpage • Principles of Corporate Governance • Board Committee Composition webpage • Management Team webpage
2-10	Nomination and selection of highest governance body	As part of the search process for each new director, the Nominating and Corporate Governance Committee charter requires that the Committee endeavor to include members of underrepresented groups such as women, ethnically or racially diverse individuals and LGBTQ+ in the pool of candidates (and instruct any search firm the Committee engages to do so) and to interview at least one woman and one racial or ethnic minority candidate. **Refer to:** • Principles of Corporate Governance • Nominating and Corporate Governance Committee Charter
2-11	Chair of the highest governance body	Cofounder Monte Brem is the Chairperson of the Board and also serves as Executive Advisor to the company. Scott Hart was named StepStone's sole Chief Executive Officer, effective January 1, 2022. **Refer to:** • Monte M. Brem's biography • Scott Hart's biography
2-12	Role of the highest governance body in overseeing the management of impacts	Management is responsible for approving the organization's mission, vision, values, strategies, policies and due diligence processes related to sustainable development and responsible investments. The Board delegates the responsibility of stakeholder engagement to the executive team based on the stakeholder category. The Board meets periodically to review the effectiveness of the organization's processes with respect to ESG. ESG matters are a recurring agenda item at Board meetings.
2-13	Delegation of responsibility for managing impact	The core responsibilities of the Board of Directors of StepStone Group Inc. include oversight of ESG matters, including: • The shaping of effective corporate governance • Oversight of the firm's strategies and policies relating to human capital management, including with respect to matters such as DEI; workplace environment and culture; and talent development and retention • Oversight of the company's strategies and policies related to responsible investment and sustainability matters relevant to the firm's business ESG at the corporate level is led and managed by senior management at the firm. The Responsible Investment Committee, which oversees ESG across our investments, is composed of cross-functional, senior employees of the company and chaired by the Global Head of Responsible Investment. **Refer to:** • Responsible Investment Policy
2-14	Role of the highest governance body in sustainability reporting	Management delegates the responsibility of reviewing and approving the Responsible Investment report to the Responsible Investment Committee, of which the CEO is a member. Note: The RI Committee is not a Board committee.
2-15	Conflicts of interest	The Board has a process to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest. **Refer to:** • Code of Conduct and Ethics

Disclosure	Description	Response and Location
2-16	Communication of critical concerns	• Employees may raise concerns directly with the Chief Compliance Officer or the Chief Legal Officer on any matters of concern under the firm's Global Compliance Manual. In addition, employees may raise with their manager or a member of the Human Resources department or the Chief Human Resources Officer, any matters of concern relating to labor and employment. • StepStone maintains a Code of Conduct and Ethics, which is available on the website. Among other things, the Code encourages all directors, executive officers and employees to report possible violations of federal securities laws, firm policy or any other illegal or improper conduct, to the Chief Compliance Officer, the Swiss Capital Chief Compliance Officer, the Chief Legal Officer or the Chief Human Resources Officer, so that the report can be investigated and follow-up action taken. • Directors, executive officers and employees may report anonymously to the firm's whistleblower hotline, which is made available via web and phone, and accessible at any time. • The Audit Committee of the Board of Directors of StepStone Group Inc. has established procedures for receiving, retaining and handling reports of potential misconduct. • Once the firm receives a report of potential misconduct, the Chief Legal Officer and Chief Compliance Officer will jointly evaluate the report to assess the nature, scope and impact of the potential misconduct. The Chief Legal Officer will communicate significant reports of potential misconduct to the Chair of the Audit Committee promptly. Other reports are communicated to the Audit Committee at least quarterly, and more often at the discretion of the Chief Legal Officer. The Chief Compliance Officer also has the authority to communicate promptly and directly to the Chair of the Audit Committee about actual and alleged violations of law or the Code of Conduct and Ethics. The Audit Committee Chair or, at the Chair's election, the full Audit Committee will determine the manner in which each significant report is to be investigated, and has the authority to engage outside counsel, forensic accountants and other advisers to assist in the investigation of a report. Other than for reports where the Audit Committee or its Chair has determined to handle the investigation differently, the Chief Legal Officer is responsible, under the oversight of the Audit Committee, for investigating reports of potential misconduct. • On a regular basis, the Chief Legal Officer communicates to the Audit Committee any material reports of potential misconduct received and summarizes, among other things, the manner in which the reports are being investigated, the status of any investigations, recommended remedial actions, and the disposition of any reports. • Our independent public accounting firm, Ernst & Young LLP, also makes quarterly inquiries as to any reports which would constitute a material concern. • During the reporting period, there were no significant reports presented to the Audit Committee.

Disclosure	Description	Response and Location
2-17	Collective knowledge of the highest governance body	The Board is engaged through multiple channels and receives regular business updates including ESG-related matters such as governance, compliance, DEI and other critical issues. ESG matters are a recurring agenda item at Board meetings.
2-18	Evaluation of performance of the highest governance body	The Board and each of its Committees conduct an annual self-evaluation to assess their respective performance. The ability of individual directors to contribute to the Board is considered in connection with the renomination process. The Nominating and Corporate Governance Committee is responsible for developing, administering and overseeing processes for conducting evaluations. **Refer to:** • Principles of Corporate Governance • Nominating and Corporate Governance Committee Charter
2-19	Remuneration policies	The Compensation Committee annually reviews the compensation of directors. Director compensation is set by the Board based on the recommendation of the Compensation Committee. Compensation consists of a combination of cash and equity. Officers and partners do not receive additional compensation for service on the Board. The Board is responsible for setting annual and long-term performance goals for the CEO, evaluating the CEO's performance against those goals and setting the CEO's compensation. **Refer to:** • Compensation Committee Charter • Code of Conduct and Ethics • Proxy for 2023 Annual Meeting of Stockholders of StepStone Group, Executive Compensation, p.20
2-20	Process to determine remuneration	• The process is detailed in the Compensation Committee Charter.

Disclosure	Description	Response and Location
GRI 2: General Disclosures 2021: 4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	**Refer to:** • Introduction, Letter from the CEO, p.4
2-23	Policy commitments: (a) policy commitments for responsible business conduct (b) policy commitment to respect human rights	(a) The Responsible Investment Committee's mandate is to develop StepStone's RI policies, approach to ESG analysis and advocacy and to provide firm-wide training. This Committee is supported by a series of RI workgroups. StepStone has a Modern Slavery Statement, which is available on StepStone's website. The RI Policy also addresses clauses related to human rights. (b) Material StepStone vendors complete a Vendor DDQ that has questions on human rights and ethical business relations.
2-24	Embedding policy commitments for responsible business conduct	The RI Committee is supported by a series of RI workgroups. These workgroups have specialist asset class or functional knowledge and engage closely with the investment teams to effectively implement StepStone's RI processes. RI workgroups review RI due diligence conducted by the investment teams before getting the approval of the RI Committee. Research is carried out by StepStone's investment professionals, who are organized by sector and geography to promote broad and deep coverage of the private markets. The RI Committee approves ESG due diligence in our investment memoranda before engaging the relevant Investment Committee. RI training is conducted multiple times per year.
2-25	Processes to remediate negative impact	**Refer to:** • Code of Conduct and Ethics, Conflicts of Interest, p.2-4, Whistleblowers, p.5, and Administration and Enforcement, p.6 • Disclosure 2-16
2-26	Mechanisms for seeking advice and raising concerns	**Refer to:** • Code of Conduct and Ethics, Conflicts of Interest, p.2-4, Whistleblowers, p.5, and Administration and Enforcement, p.6 • Disclosure 2-16
2-27	Compliance with laws and regulations	During the reporting period, no significant fines or nonmonetary sanctions were incurred for noncompliance with laws or regulations. As a publicly traded company, we are required to disclose any material litigation and regulatory proceedings to which we are subject in our filings with the U.S. Securities and Exchange Commission, which are publicly available. There is no such proceeding reported for the reporting period for this report.

Disclosure	Description	Response and Location
2-28	Membership associations	• PRI signatory. Co-Chair and member of the Private Equity Advisory Committee (2024), LP ESG DDQ Working Groups for PE and VC (2021/2022), Global Policy Reference Group, Practitioners Workgroup on the EU Taxonomy (2019/2020) • TCFD supporter (organization now disbanded) • SASB member (now part of the IFRS Foundation) • GRESB member • Institutional Investors Group on Climate Change (IIGCC). Member of Private Equity and Infrastructure Workgroups • initiative Climate International (iCI). Member of LP-GP Disclosure Workgroup • Invest Europe. Member of Responsible Investment Roundtable (2019/2020), Workgroups on NFRD and SFRD • ILPA Diversity in Action Initiative founding signatory • Pensions for Purpose influencer • ESG Data Convergence Initiative (EDCI). Member of the Steering Committee and Investment Manager member • Ownership Works. Member of the Pension Fund Leadership Council • VentureESG. Member of the LP Working Group
GRI 2: General Disclosures 2021: 5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	To align with our stakeholders as we work toward achieving our ESG objectives, we maintain ongoing engagement through tailored communication channels for each stakeholder group. Our key stakeholder groups are as follows: • Clients • Shareholders • GPs • Portfolio companies • Industry groups • Local communities • Regulators • Service providers
2-30	Collective bargaining agreements	As of December 31, 2023, there are no employees covered by collective bargaining agreements. StepStone does not prevent any employee from participating in any collective bargaining efforts.

Disclosure	Description	Response and Location
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	To establish which ESG priorities to include in this report, we implemented an ESG-focused materiality analysis in alignment with GRI recommendations in 2021. Stakeholders were asked to provide feedback via an online survey and through interviews with select participants. As a result of this approach, nine topics that matter most to our stakeholders were identified. Please refer to page 7 of the 2021 ESG Report for an overview of our stakeholder engagement efforts and analysis.
3-2	List of material topics	**Material ESG topics identified:** • Ethics and integrity • Compliance • Investing in the energy transition • Transparency and public disclosure • Cybersecurity • ESG integration in investments • Conflict of interest • Talent attraction, development and retention • Diversity, equity and inclusion
3-3	Management of material topics	This 2023 RI Report and the GRI Content Index aim to cover the management approach of all material ESG topics for purposes of our responsible investment reporting.
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed (EVG&D)	**Refer to:** • Form 10-K, p.127-134
201-2	Financial implications and other risks and opportunities due to climate change	Please refer to the Climate section starting on page 72.

Disclosure	Description	Response and Location
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	StepStone Infrastructure and Real Assets represents more than $86 billion in Total Capital Responsibility as of December 31, 2023. Our investments support infrastructure projects that create direct and indirect positive impacts on local communities through several sectors, including clean energy, power and utilities, telecommunications, transport, asset leasing strategies, agriculture and timber. Our investments impact communities across Asia, Australia, Europe, Latin America and North America. **Refer to:** • StepStone Group website, Asset Classes, Infrastructure and Real Assets
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	• All Board members are required to comply with the StepStone Code of Conduct and Ethics. The Chief Compliance Officer also provides updates on compliance to the Board of StepStone Group Inc. • Anti-corruption training is delivered to employees globally as part of the firm's annual compliance training. Employees must pass a knowledge check on the training materials and attest to completion of the training module. In addition to the firm's Global Compliance Manual, the Code of Conduct and Ethics also requires high standards of integrity, honesty and ethical conduct and covers, among other topics, anti-bribery, political contributions and gifts and entertainment. Our anti-corruption policies and procedures are also communicated to our clients. **Refer to:** • Code of Conduct and Ethics • Audit Committee Charter
205-3	Confirmed incidents of corruption and actions taken	During the reporting period, no instances of confirmed incidents in which employees were dismissed or disciplined for corruption were identified. There were no instances where contracts with business partners were terminated or not renewed due to violations related to corruption or public legal cases brought against the company or its employees due to corruption.

Disclosure	Description	Response and Location
GRI 302: Energy 2016		
302-1	Energy consumption within the organization: (a) Total fuel consumption from non-renewable sources, and including fuel types used; (b) Total fuel consumption from renewable sources, and including fuel types used; (c) Electricity, heating, cooling and steam consumption; (d) Total electricity, heating, cooling and steam sold; (e) Total energy consumption; (f) Standards, methodologies, assumptions and/or calculation tools used; (g) Source of the conversion factors used.	(a) We have no direct fuel consumption as a part of our operations. (b) We have no direct fuel consumption from renewable sources as a part of our operations. (c) Total electricity consumption is 4,147 GJ. This includes both Scope 2 and Scope 3 electricity consumption. (d) We have no electricity, heating, cooling or steam sold. (e) Total energy consumption is 4,147 GJ. This includes both Scope 2 and Scope 3 electricity consumption. (f) The Scope 1 and Scope 2 GHG emissions inventory was calculated with the use of a SaaS platform Pathzero. Pathzero platform is created in line with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard and the WRI GHG Protocol Scope 2 Guidance. The electricity usage was calculated based on environmentally extended input-output (EEIO) factors and country-specific electricity grid emissions factors. (g) Conversion factors used: Ecoinvent Association 2022. Greenhouse Accounts (NGA) Factors 2022. U.S. EPA Emission Factors for GHG Inventories April 2023.
302-3	Energy intensity: (a) Energy intensity ratio; (b) The denominator chosen to calculate the ratio; (c) Types of energy included in the intensity ratio; (d) Whether the ratio uses energy consumption within the organization, outside it or both.	(a) 4.22 GJ of energy used per full-time employee (b) Number of full-time employees (c) Electricity is included in the intensity ratio (includes both Scope 2 and Scope 3). (d) The ratio includes only energy consumed within the organization.

Disclosure	Description	Response and Location
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	We have no Scope 1 emissions as a part of our operations.
305-2	Energy indirect (Scope 2) GHG emissions: (a) Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent; (b) Gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent; (c) The gases included in the calculation; (d) Base year for the calculation; (e) Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source; (f) Consolidation approach for emissions, whether equity share, financial control or operational control; (g) Standards, methodologies, assumptions and/or calculation tools used.	(a) 373 tCO_2e (b) N/A (c) CO_2, CH_4, N_2O, HFCs, PFCs and SF_6 gases are included in the calculation (d) The base year is CY2022. (e) Pathzero uses AR5 in line with the GHG Protocol. (f) Pathzero uses an operational control approach for emissions. (g) The Scope 2 GHG emissions inventory was calculated with the use of a SaaS platform Pathzero. Pathzero platform is created in line with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard and the WRI GHG Protocol Scope 2 Guidance. The electricity usage was calculated based on environmentally extended input-output (EEIO) factors and country-specific electricity grid emissions factors.

Disclosure	Description	Response and Location
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	We have no Scope 1 emissions as a part of our operations.
305-2	Energy indirect (Scope 2) GHG emissions: (a) Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent; (b) Gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent; (c) The gases included in the calculation; (d) Base year for the calculation; (e) Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source; (f) Consolidation approach for emissions, whether equity share, financial control or operational control; (g) Standards, methodologies, assumptions and/or calculation tools used.	(a) 373 tCO_2e (b) N/A (c) CO_2, CH_4, N_2O, HFCs, PFCs and SF_6 gases are included in the calculation (d) The base year is CY2022. (e) Pathzero uses AR5 in line with the GHG Protocol. (f) Pathzero uses an operational control approach for emissions. (g) The Scope 2 GHG emissions inventory was calculated with the use of a SaaS platform Pathzero. Pathzero platform is created in line with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard and the WRI GHG Protocol Scope 2 Guidance. The electricity usage was calculated based on environmentally extended input-output (EEIO) factors and country-specific electricity grid emissions factors.

Disclosure	Description	Response and Location
305-3	Other indirect (Scope 3) GHG emissions: (a) Gross other indirect (Scope 3) GHG emissions in metric tons of CO_2 equivalent; (b) The gases included in the calculation; (c) Biogenic CO_2 emissions in metric tons of CO_2 equivalent; (d) Other indirect (Scope 3) GHG emissions categories and activities included in the calculation; (e) Base year for the calculation; (f) Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source; (g) Standards, methodologies, assumptions and/or calculation tools used.	(a) 14,541 tCO_2e (b) CO_2, CH_4, N_2O, HFCs, PFCs and SF_6 gases are included in the calculation (c) N/A (d) The Scope 3 GHG emissions categories included are: (i) Purchased goods and services (ii) Fuel and energy-related activities (iii) Waste generated (iv) Business travel (v) Employee commuting (vi) Leased assets (e) The base year is CY2023. (f) Pathzero uses AR5 in line with the GHG Protocol. (g) The Scope 3 GHG emissions inventory was calculated with the use of a SaaS platform Pathzero. Pathzero platform is created in line with the WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Pathzero follows the relevance test from the GHG Protocol to decide which emissions need to be included in the inventory. Emissions from arts activities and insurance services have been assessed as not relevant to StepStone's operations and are outside of its emissions boundary. These emissions are not part of the carbon neutral claim.
305-4	GHG emissions intensity: (a) GHG emission-intensity ratio for the organization; (b) The denominator chosen to calculate the ratio; (c) Types of GHG emissions included in the intensity ratio; (d) Gases included in the calculation.	(a) 15.19 tCO_2e per full-time employee (b) Number of full-time employees (c) Scope 1, Scope 2 and Scope 3 GHG emissions are included in the intensity ratio. (d) CO_2, CH_4, N_2O, HFCs, PFCs and SF_2 gases are included in the calculation.

Disclosure	Description	Response and Location
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover: (a) Total number and rate of new employee hires by age group, gender and region; (b) Total number and rate of employee turnover by age group, gender and region.	(a) **Total New Hires:** 196 • Women: 69, Males: 116, Nonbinary: 0, Did not disclose: 11 • Racially or ethnically diverse: 60 (b) **Total Turnover:** Average employment: 938, Termed: 94, Average Turnover: 10% • **Women:** Average employment: 342, Termed: 34, Average Turnover: 10% • **Males:** Average employment: 587, Termed: 59, Average Turnover: 10% • **Racially or ethnically diverse:** Average employment: 290, Termed: 41, Average Turnover: 14% • **Ages 30 years and below:** Average employment: 288, Termed: 39, Average Turnover: 14% • **Ages between 30–50 years:** Average employment: 540, Termed: 42, Average Turnover: 8% • **Ages 50+ years:** Average employment: 111, Termed: 13, Average Turnover: 12% Figures cited are as of December 31, 2023.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	We offer several benefits including medical, dental, vision, retirement, life and AD&D, long- and short-term disability and critical illness. Benefits vary across countries. In addition to our standard benefits, we offer a wellness program, which includes a mental health benefit through Modern Health and group fitness challenges. We also reimburse for examination fees and study materials for professional examinations, licensing and annual registrations. Our time-off policies extend beyond time off for vacation and sickness and include volunteer and study time off. We also offer various parental leave benefits. Time off is offered across all countries where we operate but varies based on local legislation. Professional coaching is available for those taking parental leave. Covering the cost of work travel, accommodationand meals for those who need to travel with infants in the first 12 months after returning from leave as well as travel for infants and caretakers for the first-year post-leave when required to travel for business. We also provide re-imbursement for shipment and storing of breast milk while traveling for business.
401-3	Parental leave	We offer parental leave to all employees, regardless of gender. Due to varied legislation among the countries in which we operate, our time-off policy differs by location. In the United States, our Parental Leave Policy is broken into primary caregiver and non-primary caregiver, but any employee regardless of gender is able to take time off as either type of caregiver. The designation is self-identified by the employee. • Took leave: Women: 8, Male:21 • Returned from leave: Women: 8, Male: 21
GRI 404: Training and Education 2016		
404-2	Programs for upgrading employee skills and transition assistance programs	Please refer to People and Society starting on page 89.
404-3	Percentage of employees receiving regular performance and career development reviews	~100% of eligible employees.

Disclosure	Description	Response and Location
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees: (a) Percentage of individuals within the organization's governance bodies in gender, age group, and racial or ethnic diversity; (b) Percentage of employees per employee category in gender, age group, and racial or ethnic diversity	(a) **Total Members in StepStone Group Inc.'s Board of Directors:** 9 • Women: 2, Males: 7 • White: 7, Hispanic or Latinx: 1, Two or More Races or Ethnicities: 1 (Alaskan Native or Native American) • Ages between 30–50 years: 2 • Ages over 50 years: 7 **Total Employees in Governance Bodies Across Asset Classes:** 109 • Women: 19, Males: 90 • White: 89, Asian: 14, Hispanic or Latino: 2, Two or More Races or Ethnicities: 2, Alaskan Native or Native American: 1, Black or African American: 1 • Ages between 30–50 years: 61 • Ages over 50 years: 48 • Members of governance bodies include members of the Board of Directors, C-suite, Executive Committees, Investment Committees and the entire Partner group of StepStone (b) Refer to page 104 and Disclosure 2-7 for StepStone's employee data. **Refer to:** • Proxy 2023 Annual Meeting of Stockholders of StepStone Group Inc., Board Qualifications and Diversity, p.6
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were zero substantiated breaches during the reporting period. StepStone adheres to our Data Privacy Policy.

SASB Content Index

Disclosure	Description	Response and Location
Transparent Information and Fair Advice for Customers		
FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations or other regulatory proceedings	During the reporting period, no instances of confirmed incidents in which employees were dismissed or disciplined for corruption were identified. There were no instances where contracts with business partners were terminated or not renewed due to violations related to corruption or public legal cases brought against the company or its employees due to corruption.
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product–related information to new and returning customers	During the reporting period, there were no monetary losses resulting from legal proceedings associated with marketing and communication of financial product–related information to new or returning clients.
FN-AC-270a.3	Description of approach to informing clients	We engage our clients through various communication channels including meetings, email updates, AGMs, periodic reporting, whitepapers, podcasts and our SPI platform. In addition, each client has a dedicated account manager who works closely with them to keep them informed on relevant products and services.
Employee Diversity and Inclusion		
FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals and (4) all other employees	Please refer to People and Society starting on page 89.

Disclosure	Description	Response and Location
Incorporation of Environmental, Social and Governance Factors in Investment Management and Advisory		
FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social and governance (ESG) issues, (2) sustainability-themed investing and (3) screening	• ~100% of AUM integrates relevant ESG considerations in the due diligence process. • More than $20 billion of Total Capital Responsibility is categorized as "impact investments."
FN-AC-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment and/or wealth management processes and strategies	Please refer to Responsible Investing starting on page 28 and Climate starting on page 72.
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	We have the responsibility for voting proxies consistent with what we believe to be in the best economic interest of our clients, as a matter of policy and as a fiduciary to our discretionary clients. StepStone generally does not have the legal authority to vote proxies on behalf of advisory clients.

Disclosure	Description	Response and Location
Business Ethics		
FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.	During the reporting period, there were no monetary losses resulting from legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice or other related financial industry laws or regulations.
FN-AC-510a.2	Description of whistleblower policies and procedures	**Refer to:** • Code of Conduct and Ethics, Conflicts of Interest, p.2-4, Whistleblowers, p.5, and Administration and Enforcement, p.6 • GRI Content Index, Disclosure 2-16
Activity Metrics		
FN-AC-000.A	(1) Total registered and (2) total unregistered assets under management (AUM)	$659 billion Total Capital Responsibility, which includes $149 billion AUM.
FN-AC-000.B	Total assets under custody and supervision	See Disclosure FN-AC-000.A above.

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