

## Responsible Investing at Abbott Capital

Abbott Capital was founded over 25 years ago based on the principle that long-term continuity and accountability are essential to constructing and managing high quality private equity portfolios. As a leading independent investor specializing in the creation and management of private equity investment programs, we value the long-standing reputation we have earned for personal and corporate integrity and responsibility. Abbott continually strives to achieve the highest standards in the industry in all aspects of our business.

Abbott has long believed that a private equity manager should be subject to high standards for governance and transparency. Alignment of interest at all levels is a critical element of effective risk management. Abbott's rigorous due diligence disciplines, honed over several decades of private equity investing, have consistently focused on these essential components of a well-constructed private equity portfolio.

Over the past few years, a growing number of institutional investors globally have incorporated Socially Responsible Investing (SRI), or Environmental, Social and Governance (ESG), criteria into their investment decision-making process. In recognition of the importance of SRI/ESG considerations, Abbott has developed a policy designed to evaluate the SRI and ESG standards and activities of our fund managers. Prior to investment, we will seek to assess the fund manager's SRI/ESG policies and actions. During our investment approval process, we will then review and discuss those policies and actions. For those managers who have yet to develop an applicable SRI/ESG policy, we may encourage them to define their approach.

When evaluating a manager's SRI/ESG approach, Abbott will seek to assess some or all of the following:

- The manager's commitment to identifying and assessing SRI/ESG related risks and opportunities
- The resources available to the manager when seeking to integrate SRI/ESG into their investment process
- The scope and frequency of ESG-related information that the manager intends to disclose during the term of the fund
- A manager's plan for communicating any significant or material ESG issues that may arise
- Whether or not the manager seeks to use governance structures that provide for appropriate levels of oversight in the areas of audit, risk management, and when conflicts of interest arise.

Throughout the term of a private equity investment, Abbott often has the opportunity to encourage both appropriate transparency in reporting and effective governance decisions. Abbott's participation on the advisory board of many private equity funds provides an additional forum to discuss relevant SRI/ESG developments directly with the manager and fellow limited partners. Effective risk management requires active and continuous communication between Abbott and the managers to whom we entrust our clients' assets, and we believe that this active communication provides Abbott the ability to quickly and efficiently address developments, whether about SRI/ESG concerns, or any other aspect of the fund or industry.

Abbott's focus on integrity in all aspects of private equity investment and management is standard business practice for us. We aim to select managers who will operate with similar standards of ethics and integrity, both because it is important to Abbott's clients and investors, and because it is important to Abbott.