

Environmental, Social, and Governance (ESG) Policy

Adopted April 2021

Cressey & Company (“Cressey” or the “Firm” or “We”) strives to help talented executives and strong healthcare businesses achieve outstanding growth, and we believe that avid Environmental, Social, and Governance (“ESG”) management can fuel this growth, mitigate risk, and drive value creation. Therefore, on behalf of the firm, our management and investing partners, and the greater community, we are committed to incorporating ESG diligence into the investment process, monitoring ESG performance across our partnerships, and proactively managing firm-level governance risks. In addition, we are committed to establishing ESG accountability within our team and transparency with our investors.

This policy is intended to define a set of principles that will guide our consideration of material ESG issues. Our top priority is to mitigate ESG-related risks that may have a negative impact on our firm or our partners. To that end, we will strive to align our practices with the Guidelines for Responsible Investment, as set forth by the American Investment Council (“AIC”) and incorporated as reference in Appendix 1. We are also signatories of the Principles for Responsible Investment (“PRI”), which illustrate how we incorporate ESG issues into our investment practice (discussed in this Policy). In addition, we recognize that best practices in ESG risk management will continue to evolve; therefore, we will continuously review and revise this policy over time.

Team Member Accountability

Early in our consideration of any prospective partnership, we will evaluate the materiality of ESG risks. ESG risk areas that may be considered in due diligence include, but are not limited to, data privacy, ethics, occupational health and safety, environmental impact, product safety, labor conditions, and diversity. As we see fit, we will engage external advisors to enhance our assessment of ESG risk exposure and provide recommendations for remediation.

Material ESG diligence findings will be shared with the Investment Committee for further consideration. The Investment Committee will weigh all material risks, opportunities, and recommendations when evaluating prospective partnerships.

Engaging with Partners and Stewardship

As healthcare investors, ESG factors are particularly relevant to our businesses. We partner with strong, well-positioned businesses as platforms for strategies that both accelerate growth and enhance clinical quality and outcomes. Since we are committed to being the best partner to help our companies, we will continue to work with our management partners post-close to increase awareness of ESG issues, mitigate material risk exposure, and create value through ESG opportunities. As a baseline standard, we will require all of our partners to maintain strict compliance with all applicable laws and regulations pertaining to human rights, corporate governance, privacy, safety, and the environment. Shortly after closing, we will share our ESG diligence findings and recommendations with our new management partners.

Post-close, we conduct a comprehensive ESG remediation action plan with each of our companies. We will address any material ESG risks and opportunities identified in due diligence in a timely manner post-close; as necessary, any high-

priority findings from diligence will be addressed in the initial operational improvement plan for newly-acquired companies. On an annual basis, we will monitor and document progress on ESG initiatives throughout our ownership period. Where necessary and appropriate, we will incorporate ESG-related inquiries into regular board meetings.

ESG Stewardship and Compliance

Our primary stewardship objective is to maximize the overall value of Cressey funds to our investors. We embrace ESG Stewardship in multiple ways, including providing ESG updates to our investors and continuing to work with portfolio company management on metrics, standards and performance post-close. We believe that ESG stewardship is not merely good for ESG compliance, but also as a way to ensure that Cressey funds remain an attractive investment for the future.

Moreover, our ESG program is part of our overall robust compliance program. As a registered investment adviser, we comply with all federal regulations and best practices to protect our investors. We have adopted and implemented written policies and procedures reasonably designed to prevent violation of the federal securities laws, regularly review those policies and procedures annually for their adequacy and the effectiveness of their implementation, and designate a Chief Compliance Officer (“CCO”) to be responsible for administering the policies and procedures (including our ESG program). Cressey’s Compliance Policies and Procedures are designed to prevent violations from occurring, detect if violations have occurred, and promptly correct any violations.

Sustainability Outcomes

We seek to grow and improve the companies in which we invest for long-term sustainability and to benefit multiple stakeholders, including on environmental, social and governance issues. In framing sustainability, we have looked to the United Nations Sustainable Development Goals (SDG) as a general reference. Therefore, we make significant improvements in the sustainability of our companies, including in the following areas:

- Compliance with environmental health and safety standards
- Enhancements in quality of care/client satisfaction
- Data privacy and security policies and practices that reduce security incidents
- Improvements in social and labor conditions
- Increased employee diversity and equal opportunity engagement

Quality, Value Creation, and Growth

Cressey is particularly focused on the quality of its healthcare portfolio companies. We integrate the above ESG targets into our portfolio company ESG remediation plans and long-term value creation efforts. Our typical valuation creation levers are organic growth, de novos, acquisitions, and operating enhancements. Our highly specialized healthcare investing program is focused on culture, values and long-term goals. We continue to implement and refine our Target, Partner, and Build strategy. This strategy is a source of discipline, focus and investment insights.

- Our healthcare-specialized resources, skills and relationships to support our operational and growth focus are extensive, including:
- Specialized Resources (e.g., financial, industry & regulatory diligence, clinical quality, federal/state political resources, sales & development consulting)
- Cressey Operating Partners (e.g., transaction support, financial/interim CFO, talent management, CEO & strategy mentoring)

- Contacts & Network (e.g., broad company relationships, tracking proven & emerging executives)
- Business-Building Experience (e.g., acquisitions & denovos, macro trends & exit timing, growth project underwriting, sequencing team additions)

Our Firm Partners and CCO, in conjunction with our ESG consultant, assess climate-related risks in our portfolio when relevant. As part of our ESG remediations with portfolio companies, we monitor progress on climate-related risks, articulate responsibilities, and consider climate change factors in investment decisions, if relevant. We invest in companies consistent with Cressey’s core values and PRI standards. Further, we strive to engage with investors to understand how their preferences are evolving with regard to climate change and to link our fiduciary duty to climate risks and opportunities.

We exclude from our investments legally required exclusions (e.g., those required by domestic/international law, bans, treaties or embargoes), exclusions based on our organization's values or beliefs, exclusions based on screening against minimum standards of business practice based on international norms, and exclusions we have committed to side letters with our investors.

Transparency with Investors

We are further committed to being transparent with our investing partners in our ESG management practices. As such, we will regularly provide progress reports in our investor correspondence and, where appropriate, will notify investors of negative ESG-related findings or incidents as we become aware of them.

Internal Commitment

We take pride in the fact that we embrace our ethical and legal responsibilities. Thus, beyond working with our partners to enhance ESG management, Cressey & Company is committed to addressing firm-level ESG risks and opportunities that arise in the normal course of our operations. We strive to make a positive and lasting impact in the communities in which we operate, including through our Cressey Cares foundation. We believe that a diverse team and an inclusive culture are foundational to the success of our firm and our investments, which is reflected in our Diversity and Inclusion (D&I) policy. In addition, we will work to address internal governance considerations related to data privacy, diversity, ethics, political dealings, and other relevant areas. To this end, we will distribute this policy to the entire Cressey & Company team for reference and develop additional written policies and procedures to mitigate firm-level risks, as we see fit.

Principles for Responsible Investment

Cressey signed the Principles for Responsible Investment (“PRI”) in April 2021. The six PRI are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice.

As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that ESG issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time). We also recognize that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

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

PRI Governance structure

We maintain senior-level oversight of and accountability for our responsible investment practices to meet the PRI requirements. The Chief Compliance Officer (“CCO”) oversees the Firm’s ESG program, with support from the Firm’s Management Committee and Partners. We provide regular internal ESG reporting to our team members. If necessary, Firm Management meets to discuss ESG strategy and to ensure the Firm is meeting its PRI obligations.

Engaging Policymakers

Cressey’s mission focuses on improving America’s health and healthcare. When appropriate, we engage regulators and policymakers on ESG-related policy topics relevant to our investment portfolio, investment ideas or emerging trends and themes. These activities (e.g., meetings, calls, webinars, podcasts, articles and speaking events) focus on substantially improving healthcare in communities across America through education and engagement at the nexus of policy, medicine, and innovation, as well as active community engagement with specific focus on vulnerable populations and health disparities. We are particularly focused on quality of the health services in each of our companies provide: the development of specific quality measures and metrics are tracked and continuously improved. We have governance processes in place to ensure that our policy activities and any political influence (e.g., policy engagement, lobbying, financial support, membership in industry groups, membership in trade associations, making public statements, engaging in public debate, blogs and media commentary) are aligned with our position on sustainable finance and our commitment to the six Principles of the PRI. Any policy activities are reported to the Firm Partners to ensure they are aligned with our core values.

Cressey adopted this policy in March of 2018; it thus does not apply to any investments made prior to that adoption date.

Appendix

AIC Guidelines for Responsible Investment

The AIC membership has adopted a set of comprehensive responsible investment guidelines that they will apply prior to investing in companies and during their period of ownership. The guidelines cover environmental, health, safety, labor, governance and social issues.

The guidelines call for AIC member firms to:

1. Consider environmental, public health, safety, and social issues associated with target companies when evaluating whether to invest in a particular company or entity, as well as during the period of ownership.
2. Seek to be accessible to, and engage with, relevant stakeholders either directly or through representatives of portfolio companies, as appropriate.
3. Seek to grow and improve the companies in which they invest for long-term sustainability and to benefit multiple stakeholders, including on environmental, social and governance issues. To that end, Private Equity Council members will work through appropriate governance structures (e.g. board of directors) with portfolio companies with respect to environmental, public health, safety, and social issues, with the goal of improving performance and minimizing adverse impacts in these areas.
4. Seek to use governance structures that provide appropriate levels of oversight in the areas of audit, risk management and potential conflicts of interest and to implement compensation and other policies that align the interests of owners and management.
5. Remain committed to compliance with applicable national, state, and local labor laws in the countries in which they invest; support the payment of competitive wages and benefits to employees; provide a safe and healthy workplace in conformance with national and local law; and, consistent with applicable law, will respect the rights of employees to decide whether or not to join a union and engage in collective bargaining.
6. Maintain strict policies that prohibit bribery and other improper payments to public officials consistent with the U.S. Foreign Corrupt Practices Act, similar laws in other countries, and the OECD Anti-Bribery Convention.
7. Respect the human rights of those affected by their investment activities and seek to confirm that their investments do not flow to companies that utilize child or forced labor or maintain discriminatory policies.
8. Provide timely information to their limited partners on the matters addressed herein, and work to foster transparency about their activities.
9. Encourage their portfolio companies to advance these same principles in a way which is consistent with their fiduciary duties.