Avista Capital Partners ESG Investment Policy

Avista Capital Partners ("Avista") believes in responsible investing practices. Avista recognizes that environmental, social, and governance (ESG) issues may affect investment performance, and furthermore, that the effective management of ESG issues can create better risk-adjusted returns. In formalizing its commitment to ESG management, Avista intends this policy to define a set of principles that will guide its consideration of material ESG issues throughout the investment process.

In implementing this ESG Investment Policy, Avista strives to align investment practices with the industry guidelines set forth in the Private Equity Growth Capital Council ("PEGCC") Guidelines on Responsible Investment set forth in Appendix A, while simultaneously acknowledging Avista's principal duty is to act in the best interest of its investors. Avista recognizes that industry guidelines and best practice in managing ESG issues will continue to evolve. As such, we will review this ESG Investment Policy annually to make appropriate changes.

I. Enhance Firm ESG Management Capacity

To advance the implementation of the principles set forth in this ESG Investment Policy, Avista seeks to strengthen ESG management capacity among our investment professionals. We will implement this commitment by:

- Providing this ESG Investment Policy and all related ESG documentation to investment professionals.
- Building ESG awareness among investment professionals through formal and informal training on ESG issues and their impact on the investment process.

II. Investment Analysis and Due Diligence

In investment committee reviews of potential acquisitions, Avista will evaluate ESG considerations where warranted. We will implement this commitment by:

- Assessing ESG risks and opportunities of target acquisitions, as appropriate.
- Ensuring that ESG issues are reviewed in accordance with the materiality of exposure that they present, engaging external expertise to do so.
- Including a discussion of material ESG risks and opportunities in investment committee materials.

III. Responsible Portfolio Company Ownership

Avista endeavors to work with its portfolio companies to increase awareness of ESG issues, mitigate adverse ESG impacts, and create value through ESG opportunities. We will seek to implement this commitment by:

- Working with portfolio company management teams to ensure that each company complies with the applicable laws, regulations, and best practice of the jurisdiction in
which it operates with respect to environment, health and safety, human rights, labor issues, community impact, and corporate governance.

b. Ensuring that material ESG risks identified in due diligence are addressed and negative impacts mitigated, where practical to do so.

c. Monitoring material ESG issues on an annual basis throughout the lifecycle of a portfolio company to track and document progress of ESG initiatives and review any negative ESG-related incidents.

d. Enhancing portfolio company management’s awareness of ESG issues and related risks, opportunities, and considerations.

IV. Accountability and Transparency

Avista will strive to create accountability within the organization and transparency to its limited partners of its approach to, and assessment of, ESG issues. We will seek to implement this commitment by:

a. Including discussion of ESG issues, management activities, and progress in reporting and communications internally and with our limited partners.

b. Notifying investors of material negative portfolio company ESG incidents that are likely to result in additional scrutiny for the investor, when appropriate and deemed necessary.

c. Allocating sufficient internal and external resources to support the commitments made in this policy.
Appendix A: PEGCC Guidelines for Responsible Investment

The Private Equity Growth Capital Council 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 grew out of a dialogue between PEGCC members and a group of the world’s major institutional investors, which took place under the umbrella of the United Nations-backed Principles for Responsible Investment (PRI).

The guidelines call for PEGCC 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.