

Environmental, Social and Governance Report 2021

Taking the Long View

ABOUT THIS REPORT

Welcome to StepStone's Environmental, Social and Governance (ESG) report, covering our performance across the calendar year January 1, 2021 — December 31, 2021.

The information in this report is aligned with the Global Reporting Initiative (GRI) Standards: Core Option and the Asset Management & Custody Activities Standard from the Sustainability Accounting Standards Board (SASB). All consolidated entities of StepStone Group are included in the Corporate Sustainability section of this report. Any exclusions are noted in the GRI Content Index. All dollar amounts are in USD.

We include an overview of our Diversity, Equity & Inclusion (DEI) performance in the pages of our ESG report, and the information is available as a stand alone report here: [StepStone Diversity, Equity & Inclusion Report 2021](#)

To learn more about our commitment to climate change, please refer to our Taskforce on Climate-related Financial Disclosures (TCFD) Report here: [StepStone TCFD Report 2021](#)

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\$548B in private capital allocations¹

\$127B assets under management¹

\$75B+ annual commitments²

750+ professionals

Private Markets Access

Comprehensive coverage across:

- Private Equity
- Real Estate
- Infrastructure & Real Assets
- Private Debt

Research Focused

StepStone annually conducts:³

- 3,700 manager meetings
- 450 investment committee approvals

Market intelligence on over:

- 14,000 GPs
- 38,000 funds
- 68,000 companies

Investment Strategies

Specialized teams covering:

- Fund investments
- Secondaries
- Co-Investments

Sophisticated Client Base

Creating solutions for:

- Corporations
- Defined Contribution Plans
- Endowments/Foundations
- Insurance Companies
- Pension Funds
- Private Wealth/Family Offices
- Sovereign Wealth Funds

About StepStone Group

StepStone is a global private markets investment firm offering customized solutions and advisory and data services to our clients. Our mission is to be the trusted partner of choice for private markets solutions globally.

All dollars are USD. Headcount as of January 31, 2022. Data includes Greenspring Associates metrics.

¹ \$548B indicates total assets which includes \$127B in assets under management as of December 31, 2021. Reflects final data for the prior period (September 30, 2021), adjusted for net new client account activity through December 31, 2021. Does not include post-period investment valuation or cash activity.

² StepStone approved over \$75B+ in 2021. Represents StepStone-approved investment commitments on behalf of discretionary and non-discretionary advisory clients. Excludes clientele that receive research-only, non-advisory services. Ultimate client investment commitment figures may vary following completion of final GP acceptance/closing processes.

³ Last twelve months through December 31, 2021.

StepStone has strategically grown across 23 offices in 14 countries to build enduring relationships with our clients and GPs.



StepStone's Core Values

Our clients are our partners

We work closely with clients to build the optimal asset allocation. As a result, we aim to deliver competitive service, anticipate changing needs, and build relationships that endure.

Specialization is vital

Organizing our investment teams by asset class, region, strategy and sector allows us to cover private markets thoroughly.

Customization is paramount

Using all of the tools at our disposal, we build portfolios that can be tailored according to strategy, sector, vintage year or geography.

Global reach & local presence

Steeped in local economic and political conditions, our integrated global team provides actionable insights that make sense of changing markets.

Committed to responsible investing

We are committed to being responsible stewards of capital in managing our firm and delivering investment solutions to our clients.

Innovation is key

We are constantly searching for novel ways to deliver value to our clients, embracing data and technology to drive new insights into the private markets.

Empowered team

We emphasize integrity, transparency, collaboration, entrepreneurialism, and respect for all. This drives how we interact with each other, our sponsors, clients, investors, vendors and service providers, and the community at large.

People matter

Our people are our biggest asset. Their enthusiasm, hard work and dedication make everything that we do possible.

All headcount is presented as of January 31, 2022. Data includes Greenspring Associates metrics. AUM/AUA as of December 31, 2021. Reflects final data for the prior period (September 30, 2021), adjusted for net new client account activity through December 31, 2021. Does not include post-period investment valuation or cash activity. Asia-Pacific headcount includes professionals with investment-related responsibilities.



Scott Hart
Partner & CEO

“As a leading private markets investment firm, we consider it our responsibility to drive positive social and environmental change by considering ESG risks and opportunities in our investment approach and engagement with our partners.”

It is a pleasure to present StepStone’s Environmental, Social and Governance (ESG) Report. This practice is an opportunity for us to reflect on our progress on material ESG matters, plan ahead and build confidence among our stakeholders.

StepStone was founded on the principles of entrepreneurialism, transparency and trust. Building on these foundations, we believe conducting our business with consideration of ESG issues and emerging global priorities is paramount. Our disciplined approach to Responsible Investment (RI) is reinforced by our alignment to global frameworks such as the Task Force on Climate-Related Disclosure (TCFD) and our long-standing commitment to the UN Principles of Responsible Investment (PRI). We ensure that all of our investments are diligenced with consideration of ESG matters, a practice we are very proud to have implemented across all our asset classes and global offices. We are expanding on this to include the recently acquired Greenspring Associates, working with our new colleagues to align their RI processes with ours.

Since 2008, we have allocated a total of \$12 billion of our AUM/AUA to investments aligned to our proprietary impact theme mapping; these investments seek to generate positive social and environmental outcomes alongside commercial financial returns. Through our approach to impact and thematic investing, we seek to provide solutions within the themes of energy transition, natural capital, health, sustainable communities and empowerment.

StepStone is, and always has been, a people-driven business. In 2021, we welcomed 277 private markets professionals to StepStone. We continue to focus on attracting and retaining quality talent that reflects the diversity of our stakeholders and the world in which we operate. To assist in these efforts, we are working in partnership with 11 organizations and nonprofits whose mission is to increase participation and inclusion of individuals from underrepresented groups, recognizing the need to promote diversity of perspectives, experience and background in our industry.

COP26 was one of the defining events of the year globally, increasing the intensity of focus on the climate crisis and highlighting the urgent need for a concerted global response. At StepStone, we view climate change as a business-critical issue and consider investing in climate solutions as an opportunity for business growth and to create positive impact. Showcasing our commitment to aligning with global objectives, we continue to measure our operational carbon footprint annually and identify reduction opportunities. This year, our climate commitment is reiterated in our first TCFD report. This focus on our environmental impact takes StepStone back to its roots. The cover photo we have selected for our inaugural report is an homage to Stone Steps beach in Encinitas, California, where the founding members of StepStone liked to surf.

As this report is being published, we have been collectively watching the humanitarian crisis unfold in Ukraine. As the conflict escalates into one of the largest refugee crises on the planet, we have been starkly reminded of the need for vigilance around human rights. As well as extending our support to the International Rescue Committee’s emergency appeal, this has urged us to seek ways to reinforce our focus on human rights in the coming years.

We look forward to expanding on this engagement with our stakeholders as we advance on this journey together and encourage any feedback which may help us continuously improve and evolve.

Scott Hart, CEO

2021 Key Highlights

Responsible Investment

100% of our investments go through ESG due diligence

Signatory/member to:

United Nations Principles of Responsible Investment (PRI)
 Sustainability Accounting Standards Board (SASB) Alliance, now part of the Value Reporting Foundation
 Taskforce on Climate-Related Financial Disclosures (TCFD)
 GRESB Global Benchmark for Real Assets
 Initiative Climat International (iCI)
 Institutional Investors Group on Climate Change (IIGCC)

Our Responsible Investment Committee includes 15 members, who are supported by five working groups:

Private Equity: 19 members
 Private Debt: 14 members
 Real Estate: 9 members
 Infrastructure & Real Assets: 8 members
 Corporate: 12 members

\$12B+ AUM/AUA categorized as impact and thematic investments

Diversity, Equity & Inclusion

Female partners at StepStone have increased to 19% of partners from 12% in 2019, an increase of 58% over this period; female senior level employees have increased to 31% from 17% in 2019

Racially or ethnically diverse partners at StepStone have increased to 15% of partners from 9% in 2019, an increase of 67% over this period; racially or ethnically diverse senior level employees have increased to 18% from 13% in 2019

37% of all our new hires in 2021 were women and 34% were racially or ethnically diverse

36% of employees who were promoted effective January 2022 were women and 30% were racially or ethnically diverse

Climate Commitment

We are a carbon neutral company and are committed to maintaining this status going forward

Increased focus on integrating climate considerations throughout our investment process

Dedicated AUM/AUA to energy transition and natural capital

Working with our clients to invest across climate change themes

ESG Priorities & Stakeholder Engagement

When setting our ESG priorities, we seek to align our internal operations with market best practices. Externally, we monitor trends, ensure alignment with regulatory bodies, and conduct benchmarking with our peers.

We maintain ongoing engagement with our stakeholders, using a variety of channels to expand our reach. Public engagement channels include our website, social media, our “Reflections on Private Markets” podcast, and white papers. Other channels that we utilize are tailored to specific stakeholder groups, detailed to the right.

To establish which ESG priorities to include in this report, we implemented a materiality analysis in alignment with GRI recommendations. The process involved mapping our key stakeholders and identifying topics that would potentially be material to them and our operations. This included key risks, global trends and topics taken from key reporting standards, including: SASB, GRI and TCFD.

To achieve a more intimate analysis, we asked our stakeholders to provide feedback via an online survey and subsequently requested interviews with select participants. As a result of this approach, we were able to identify the nine material topics that matter most to our stakeholders:

- | | |
|---------------------------------------|---|
| 1. Ethics and Integrity | 6. ESG Integration in Investments |
| 2. Compliance | 7. Conflict of Interest |
| 3. Investing in the Energy Transition | 8. Talent Attraction, Development and Retention |
| 4. Transparency and Public Disclosure | 9. Diversity, Equity & Inclusion |
| 5. Cybersecurity | |

The report aims to cover how we are currently tackling these topics through our policies, processes, operations and commitments, as well as how we can build on these going ahead.

Stakeholder Group	Engagement Channels	
Clients	Meetings Email updates Annual General Meeting StepStone Private Markets Intelligence (SPI), our proprietary database	Omni, StepStone’s proprietary, web-based application for private market portfolio analytics and reporting Periodic reporting White papers Podcasts
Shareholders	Earnings calls Periodic reporting	Proxy statement Shareholder Relations website
Employees	Global Round Up (weekly all-hands meeting) Seismic (our intranet) Email updates Bulletins	Employee engagement survey Diversity, Equity & Inclusion events Training & development programs Performance reviews
General Partner (GPs)	Diligence and monitoring meetings Annual General Meetings Limited Partner Advisory Committee Meetings Responsible Investment due diligence	Annual RI post-investment monitoring questionnaire Critical ESG incident reporting Periodic reports ESG engagements
Portfolio companies	Responsible Investment due diligence Board meetings	ESG engagements
Regulators	Periodic examinations	Periodic reporting
Industry groups	Conferences and events Periodic reporting (as relevant)	Active industry organization workgroup participation Meetings
Service providers	Onboarding and monitoring process	Meetings
Local communities	StepStone Charitable Giving Program	Volunteering opportunities

Alignment with the Sustainable Development Goals

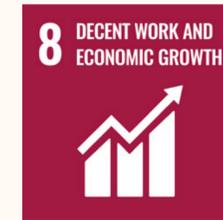
Here is an overview of StepStone’s commitments to support the United Nation’s Sustainable Development Goals that are most in line with our core business. The impacts made in these areas are expanded upon throughout the report.



We promote gender equality in the workplace, with a particular focus on elevating females into leadership positions. We are achieving this through training and development initiatives, including a Leadership Development Program which focuses on diverse employees. To learn more, please refer to [page 14](#). We mirror this effort in our Responsible Investment practises with a focus on gender equality in investment teams and executive management. See [page 27](#).



We are committed to advancing access to renewable energy by identifying opportunities in the energy transition. To learn more about our approach, please refer to our [TCFD Report 2021](#).



We are proactive in our approach to achieving full and productive employment and decent work for all people. We have partnered with a number of organizations to improve educational opportunities, see [page 13](#) for more details. We are also committed to eradicating the possibility of forced labor, modern slavery and human trafficking in our supply chains. Please see [page 27](#) for more information.



We manage a \$13B portfolio in Infrastructure & Real Assets and are proud that 100% of our GPs in this asset class have a Responsible Investment policy in place and 96% are PRI supporters. See more on [page 38](#).



We foster an inclusive work environment where everyone can thrive, with our efforts supported by our DEI committee. To learn more about our efforts, please refer to our [Diversity, Equity & Inclusion Report 2021](#). Similarly, we are focused on efforts around reduced inequalities conducted by GPs in their own operations and investment portfolio.



We are seeking opportunities around access to adequate, safe and affordable housing and basic services. For an example of how we are achieving this in our portfolio, please see [page 37](#).



We embed climate risks and opportunities into our investment process. We also encourage our GPs to align with TCFD recommendations. Please see our [TCFD Report 2021](#) for more information.

Corporate Sustainability



In this Section

Human Capital Development

Diversity, Equity & Inclusion
Talent Attraction and Development

Philanthropy

Environmental Responsibility

Commitment to Carbon Neutrality

Ethics, Governance & Compliance

Risk Management

Cybersecurity

Business Continuity

Human Capital Development

Diversity, Equity & Inclusion

Our culture brings together 750+ professionals who sit across 23 global offices and speak more than 59 languages.

Our commitment to Diversity, Equity & Inclusion (DEI) is core to who we are and how we work. We are convinced that by making everyone's voice heard, we strengthen our ability to analyze, invest, communicate and deliver on our mission. This section of the report addresses DEI efforts in our company. To learn more about DEI practices in our investments, and among our GPs, please refer to the ESG Integration in the [Investment Process](#) section.

Our commitment to DEI is embodied in the following three 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

We recognize that our firm and our partners are best served by reflecting our ever-changing world, which is why we foster an inclusive work environment where everyone can thrive. Our industry as a whole still has ample opportunities to reach good representation of women, racial and ethnic minorities, and members of the LGBTQ+ community. We continue to listen, act, and take serious steps to increase representation of these groups across our operations and investments. Our hiring practice strives to have diverse interviewers and candidates in the interview phase for each open position.

Diversity, Equity & Inclusion Committee

Our Diversity, Equity & Inclusion Committee consists of senior leadership and team members from across our various asset classes and geographies. Our Committee guides our DEI efforts, with each member helping to source opportunities and plan events to engage our community and bring us into alignment with our DEI goals.



Lindsay Creedon
Head of Diversity, Equity & Inclusion, Partner
New York



Jose Fernandez
Partner & Co-COO
La Jolla



Jennifer Ishiguro
Partner, Chief Legal Officer & Secretary
La Jolla



Scott Hart
Partner & CEO
La Jolla



Alesia Dawidowicz
Managing Director
Zurich



Nitin Malik
Head of Talent Development
New York



Corey Wilkins
Director
New York



Leyla Holterud
Managing Director
London



Ying Lin
Vice President
New York



Eden Lawrence
Vice President
New York



Lyn Blithe
Executive Assistant
Baltimore

StepStone Diversity, Equity & Inclusion Network

We established StepStone’s Diversity, Equity & Inclusion Network (SDEIN) to give our employees the opportunity to learn about various DEI issues and initiatives. We hosted over 20 events across 2020 and 2021 via this global network, welcoming renowned thought leaders and inspiring discussions. In December 2021, Linda Iannone, former Chief Compliance Officer at Toyota Financial Services and board member of publicly-traded CW Bancorp, spoke to our team members in a fireside chat, sharing her experience of coming out as a gay woman in finance and offering advice on how to be a genuine and authentic ally to LGBTQ+ colleagues.

In 2021, we also welcomed the launch of our inaugural employee resource groups (ERGs), providing traditionally underrepresented groups a network through which they can share experiences and create a supportive environment. ERGs are employee-led groups which are supported by the Diversity, Equity & Inclusion Committee and an executive-level sponsor at StepStone. At present, there are two established groups; LatinX and StepOut (LGBTQ+), both of which held community events last year, including the LatinX fireside chat in celebration of National Hispanic Heritage Month with guest speaker Orlando Bravo, Founder & Managing Partner of Thoma Bravo.

2021 Gender and Ethnic Diversity Overview

Following is a breakdown of the representation of female and racially or ethnically diverse employees across StepStone in 2021. We have included data from the last two years for comparison, and while we are pleased to see progression in most areas, we recognize there is still room for improvement. Last year, we hired a Head of Talent Acquisition, a new role intended to increase our focus on creating an exceptional team, inclusive of diverse private markets professionals.

In 2021, we welcomed 277 new employees across our 23 global offices. 130 of these employees joined us as part of the acquisition of Greenspring Associates, a leading venture capital and growth equity platform.



SDEIN Event Beijing, Fostering LGBT Inclusion

2021 General Overview

	Our Board of Directors	Our Partners	Our Senior Level Professionals	Our 2021 Hires	2022 Promoted Employees
Female	22%	19%	31%	37%	36%
Racially or Ethnically Diverse	22%	15%	18%	34%	30%

Diversity Across Employment Levels¹

	2019		2020		2021	
	Female	Racially or Ethnically Diverse	Female	Racially or Ethnically Diverse	Female	Racially or Ethnically Diverse
Junior Level	40%	39%	42%	39%	44%	36%
Mid-Level	37%	24%	32%	24%	30%	25%
Senior Level	17%	13%	24%	15%	31%	18%
Partners	12%	9%	18%	12%	19%	15%
Total	35%	30%	36%	30%	37%	30%

Diversity Among our New Hires²

	2019		2020		2021	
	Female	Racially or Ethnically Diverse	Female	Racially or Ethnically Diverse	Female	Racially or Ethnically Diverse
Junior Level	32%	42%	36%	38%	38%	35%
Mid-Level	47%	30%	42%	27%	33%	35%
Senior Level	13%	20%	43%	29%	29%	0%
Partners	50%	50%	100%	0%	N/A	N/A
Total	33%	38%	39%	35%	37%	34%

To learn about DEI practices and representation among our investments, please click [here](#) to be directed to the **Responsible Investment** section of this report.



Diversity Among Our Investment Professionals¹

Total investment team figures for 2021:
 ■ 23% female
 ■ 24% racially or ethnically diverse

Diversity Among Promoted Employees³

2020	
Female	Racially or Ethnically Diverse
39%	32%
2021	
35%	30%
2022	
36%	30%

¹ 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 Director and Partner. Levels may also include those with equivalent roles and responsibilities.

² Metrics are shown as of December 31 for each year. 2021 figures exclude employees who joined as part of the Greenspring acquisition.

³ Metrics are shown as of January 31 of the year and include Greenspring Associates employees onboarded in 2021.

Talent Attraction & Development

We seek to empower our professionals with a collegial and intellectually stimulating environment, which provides a foundation for successful talent attraction & development.

We have been able to maintain a solid talent retention profile, with an average turnover rate just over 10% for the past three years. When hiring, we focus on finding intellectually curious and diverse professionals who will thrive in this environment and grow into exceptional private markets professionals. We show our commitment to supporting our people throughout their careers by providing industry-leading learning and development programs, career growth roadmaps, and mentorship and sponsorship opportunities.

Recruitment and Hiring Strategies:

Internal Events: We host Women in Finance Workshops for female undergraduate students from local universities, where they have the opportunity to learn more about StepStone and consider pursuing a career in finance.

Recruiting at Non-Traditional Schools: We include traditionally non-targeted schools in our recruiting outreach.

Promoting Inclusivity in the Interview Process: In selecting interview panel members, hiring managers do their best to include members who will bring diverse outlooks, backgrounds and perspectives, and who are respectful of different cultures and lifestyle choices. In addition, our hiring practice strives to have diverse interviewers and candidates in the interview phase for each open position.

Sponsoring Key Organizations: We partner with other nonprofits and organizations that are dedicated to helping underrepresented groups develop new skills. Current partnerships are listed below, click on each logo to learn more.



We're building bridges with other organizations to promote diversity in our industry and discover untapped potential.





Nurturing Talent – Training & Development

Recruitment is only the beginning of our talent acquisition journey. Retaining our talent and elevating them to reach their full potential is of utmost importance to us. With the aim of developing our employees to become outstanding leaders and private markets professionals, we have developed a variety of best-in-class training programs embedded with the principles of Diversity, Equity & Inclusion.

Our Head of Learning & Development ensures that these programs are adopted throughout our global offices. All of our employees participate in a performance evaluation process which is conducted semi-annually and is designed to steer their professional development and lead them to success.

We offer a mentorship program, which pairs non-Partner professionals with more senior colleagues. In 2021, we paired more than 190 mentees with over 130 mentors to construct development plans and identify opportunities for their progression. Our mentors maintain an open line of communication with their mentees and guide them in their development needs.

We also sponsor our employees through globally recognized certified training programs, including the Chartered Financial Analyst (CFA) and the Chartered Alternative Investment Analyst (CAIA). As Responsible Investment is a key focus area across our global offices, we conduct Responsible Investment training programs at least annually for all employees involved in our investment process.

Leadership Development

Our Sponsorship Program champions high-performing, mid-level professionals, with a focus on women and racially and ethnically diverse professionals who exhibit potential to become senior leaders. The program seeks to go beyond mentoring and career counseling by nurturing and championing outstanding professionals, and providing them with greater exposure and opportunities for advancement. In 2021, nine participants were paired with a Partner-level sponsor and an external executive coach and went through a full review to help identify strengths and potential areas for growth. The sponsoring Partner and the executive coach met regularly with each participant to help them build an individual development plan and find opportunities and assignments in which they could excel and be considered for advancement.

We also offer a Leadership Development series for new and mid-level managers. It covers topics such as essential skills of leadership, performance management, delegating, communication, managing complaints and resolving conflicts.

Benefits and Rewards

We know that success is built on a foundation of good health and well-being. We offer a competitive array of benefits to support the health of our employees and their families, covering medical, dental and vision plans. To encourage good habits day-to-day, StepStone's wellness program includes mental health webinars, wellness challenges and employee assistance programs. In our most recent wellness challenge, 164 employees actively participated, traveling a total of 16,445 miles between them. We also enhanced our programming to support our employees' mental well-being throughout the COVID-19 pandemic.

We seek to retain talent through our competitive compensation package. Our compensation is performance based and determined by both firm and individual performance. We offer monetary compensation in the forms of base salary, cash bonuses, contributions to 401(k) plans and revenue share. When we became a public company in 2020, we granted restricted stock units in StepStone stock pursuant to our Long-Term Incentive Plan (LTIP) to over 500 employees. In addition, over 330 employees participated in our Directed Share Program at the time of our IPO, showing their support of the company by participating in our IPO with their own funds. Our LTIP allows us to offer a variety of equity-based awards in the future to further incentivize our employees. We also granted additional restricted stock units in February 2022 as part of an annual grant.

Support for Parents

We offer parental leave, which entitles any primary caregivers – regardless of gender – to take 16 weeks of paid leave after birth, or placement of their child for adoption or foster care, and allows secondary caregivers to take 4 weeks of pay continuation at any time during the primary caregiver's leave. On top of this, we ensure the needs of all parents and caregivers at StepStone are attended to, providing a coaching program which spans from pre-birth, throughout leave, and well into their return to work. If a new parent needs to travel for work in the first six months of their return from leave, we cover the cost of plane tickets, hotel rooms and meals for the infant and primary caregiver. We also reimburse mothers for the cost of sending breast milk home while traveling for business.

Philanthropy

Our philanthropic mission is to build a healthier, more equitable and prosperous global community for everyone.

To achieve this, we have a dedicated Volunteer and Community Engagement Committee that oversees our partnership with organizations that share our core values. The Committee also manages the implementation of employee participation programs, through which we give back to local communities by providing our employees with 16 hours of paid time off each year to volunteer at a charitable organization of their choice, and matching their charitable contributions.

StepStone Charitable Giving Program

Our Charitable Giving Program is our way of adopting ongoing, purposeful and effective corporate charitable giving. This program is designed to contribute to a more prosperous global community for all by supporting impactful organizations aligned with our core values. We research and diligently monitor our giving options to maximize the impact delivered by charitable organizations. As part of this program, StepStone matches charitable gifts of up to US\$200 per employee, per year.

In 2021, our key themes were:

Coronavirus Relief and Recovery

Hunger Relief

Education & Economic Advancement

To support these themes, we partnered with:



The recognized leader in America's pursuit to end global hunger, inspiring individuals, businesses and policymakers to create a zero-hunger world



Provides Coronavirus vaccines to underserved populations through a global and concerted effort



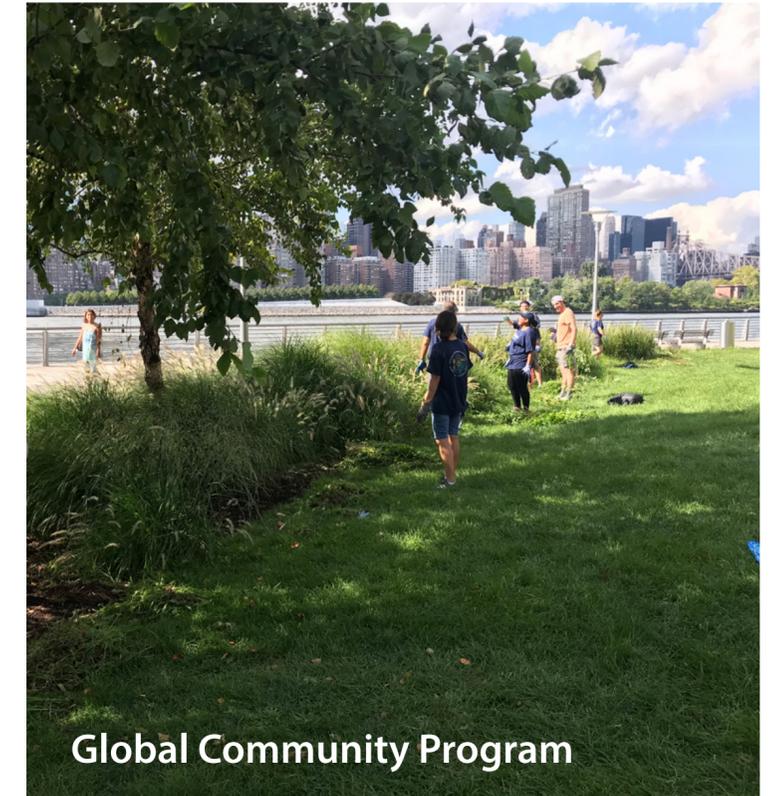
Girls Who Code's mission is to close the gender gap in technology and change the image of what a programmer looks like and does



A leading non-profit focusing on education and children's literacy in Asia and Africa



We supported the International Rescue Committee (IRC) through donations to provide aid for refugees globally. In 2021, the IRC's efforts were mostly focused on the refugee crisis in Afghanistan and in 2022, as we were writing this report, the IRC supported the humanitarian crisis in Ukraine.



Global Community Program

Our Global Community Program seeks to positively impact our local communities by partnering with service organizations. We encourage our employees to participate in this program as we believe that volunteering empowers individuals and helps them to foster active citizenship and community participation, as well as enhancing skills and networks. The program comprises of formal office-coordinated events as well as individual contributions of time. To encourage participation, we provide Volunteering Time Off ("VTO"), where every StepStone employee is eligible to claim up to 16 hours per calendar year of paid time to spend volunteering at a charitable organization of their choice.

Environmental Responsibility

The effects of environmental degradation and climate change are far-reaching, posing complex challenges for every industry and requiring a globally coordinated response.

A key part of our strategy is working to align with global frameworks, and recognizing initiatives such as the Paris Agreement, as we work with our stakeholders to achieving their objectives and net-zero commitments. In 2019, we became a signatory to the Taskforce on Climate-related Financial Disclosures (TCFD), and in 2022, we published our first TCFD report. In addition, we became members of the Institutional Investors Group on Climate Change and initiative Climat International.

When it comes to our internal operations, we continuously identify emissions reductions opportunities:

- Energy efficiency
- Supply chain
- Waste management
- Environmental awareness

As part of our corporate environmental responsibility, we have internally implemented a range of initiatives to reduce our emissions, including updating our travel policy, improving our vendor due diligence, and reviewing our leased office space. This journey began in 2019 with a series of waste reduction initiatives. We have generally eliminated the use of single-use plastic across our global offices, implementing the

use of reusable water bottles and upgrading coffee and soft drink dispenser machines. We have recycling protocols across all offices and are now moving towards a paperless environment. Our efforts in this area include using iPads for meetings and discouraging printing whenever possible. To minimize our impact as we transition to paperless, we have switched to using Forest Stewardship Council (FSC) certified paper.

We are pleased to have LEED certified office buildings in Toronto, Beijing, Cleveland, La Jolla, San Francisco, Seoul, and New York. Our London office is BREEAM certified, and our Tokyo office meets the standards for ISO 14001. Our Sydney office is carbon neutral certified and received a 5-star energy rating.

Carbon Emissions Across our Internal Operations

We are committed to carbon neutrality in our own operations, and are pleased to share we are a carbon neutral company¹. To assist us in our efforts we engaged with a third-party firm, Pathzero, which helped us to conduct a comprehensive carbon footprint measurement and analysis. The results from

2021 show that our carbon footprint continues to be predominantly driven by air travel and professional services received from our vendors. In response, we continue to build tailored emissions reduction initiatives across our global offices and as part of our vendor due diligence process, we have added specific climate-related queries to help us understand and evaluate their environmental efforts. This includes collecting information on any targets and initiatives they have in place to minimize or offset emissions and reduce waste.



Top Three Qualified Emissions

Air Travel	Professional Services	Working from Home
1,642 tCO ₂ e	1,521 tCO ₂ e	626 tCO ₂ e

GHG Emissions 2021^{2,3}

Scope 1: Direct Emissions	Scope 2: Indirect Emissions	Scope 3: Other Indirect Emissions	Total Emissions
0	485 tCO ₂ e	6,353 tCO ₂ e	6,838 tCO ₂ e

¹ For the period January 1, 2021 - December 31 - 2021.

² StepStone has no Scope 1 emissions as a part of its operations.

³ CO₂, CH₄, N₂O, HFCs, PFCs, and SF₆ Greenhouse Gasses are included in the calculation

A Commitment to Carbon Neutrality

While we are still working on reducing our emissions, we have been growing a portfolio of sustainable development projects to offset our unavoidable emissions since 2019. Following on from our commitment to carbon neutrality, in 2021 we funded the following sustainable development projects:

6,838 tCO₂e

Total Emissions Offset in 2021



Alligator River Avoided Conversion, USA

This project prevented the conversion of approximately 2,500 acres of forest in North Carolina for agricultural use.



Ningxia Xiangshan Wind Farm Project, China

The project has a total installed capacity of 397.5MW consisting of 265 wind turbines with unit capacities of 1,500kW. The expected annual power delivered to the grid is 970,432MWh. The power generated will be delivered to the Northwest Power Grid (NWPG) via Ningxia Power Grid.



Pacajai REDD+ Project, Brazil

This REDD Project is working to stop deforestation within private parcels amounting to 135,105 hectares at the edge of the deforestation frontier in Brazil. The project is expected to generate multiple climate, social, and biodiversity benefits.

Environmental Responsibility in our Investment Process

As private markets investors, our potential to catalyze change via our investment portfolios is enormous. In terms of the environment and climate change, it is through our portfolios that we face the most significant risks and can find the greatest potential for impact. We are furthering our engagement with GPs on environmental considerations in the investment process, as well as advocating for them to become members of the TCFD. Please see the [Responsible Investment](#) section of this report for more details on how we consider climate change and the environment throughout our investment process.



Pathzero's mission is to accelerate the decarbonization of the world economy by making the necessary tools and expertise available to every company in the world. **StepStone is proud to be certified as Carbon Neutral by Pathzero¹.**

¹ For the period January 1, 2021 - December 31 - 2021.

Ethics, Governance & Compliance

StepStone was built upon the principle of ethical conduct. Since our founding in 2007, ethics, governance and compliance has been an integral part of our culture and daily operations as it ties directly to our fiduciary duty.

We act with integrity and observe the highest ethical standards of business conduct in our dealings with all stakeholders. Our approach is articulated in our [Code of Conduct and Ethics](#), which applies to all our global offices and aims to:

- Promote compliance with applicable governmental laws, rules and regulations
- Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest
- Promote full, fair, accurate, timely and understandable disclosure in reports to regulators and in other public communications
- Provide mechanisms to report unethical conduct
- Help foster a culture of honesty and accountability

Our Board of Directors not only seeks to ensure our alignment with legal and regulatory requirements, but also to promote a culture of compliance and good governance throughout the organization. Setting the tone for the whole organization, the Board reflects StepStone’s focus on ESG considerations by regularly addressing ESG and DEI related topics in its meetings. In addition, the Board receives a comprehensive update on ESG at least annually. The Board oversees numerous strategies and policies relating to responsible investment, sustainability and human capital

management, including Diversity, Equity & Inclusion, workplace culture, talent attraction, retention, and development.

Following our initial public offering in 2020, we increased our efforts to adhere to principles of good governance with the addition of independent directors. At present, there are nine members of the Board, three of whom are independent and form part of the Audit Committee. Five members are executive officers, non-executive officers or partners of the firm, and one member is an outside director representing one of our initial outside shareholders. With respect to diversity, the Board of Directors includes two women and two racially or ethnically diverse members (Hispanic and Native American).

The Board’s responsibility to oversee effective corporate governance is set out in the [Board’s Principles of Corporate Governance](#), which is reviewed annually. In addition, there are three standing committees of the Board, with a summary of their responsibilities as follows:

- **Nominating and Corporate Governance Committee:** Identifies individuals qualified to become members of our Board, consistent with criteria approved by the Board, and develops and recommends to the Board a set of corporate governance guidelines and principles.
- **Audit Committee:** Oversees our 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 risk management, including with respect to financial statements, compliance, and information technology and cybersecurity.

- **Compensation Committee:** Makes recommendations to the Board with respect to the compensation of our Chief Executive Officer; reviews and approves the compensation of other executive officers; recommends the amount and form of director compensation.

Controlled Company Status and Sunset Provision

StepStone is presently a controlled company, which means that under Nasdaq corporate governance rules, more than 50% of the voting power with respect to the election of directors is held by an individual, group or another company. As of December 31, 2021, holders of our Class B common stock control approximately 79.6% of the voting power of our common stock. Each share of our Class B common stock entitles its holder to five votes on all matters which require a shareholder vote until a ‘sunset’ becomes effective on September 18, 2025, or earlier if triggered by specific events, as described in our [proxy statement](#). As a result of the voting power currently held by Class B stockholders who are party to a stockholders agreement, we qualify as a controlled company. After a sunset becomes effective, each share of our Class B common stock will entitle its holder to one vote, and we will likely no longer be a controlled company. Once we are no longer a controlled company, we will be required to comply with certain SEC rules and regulations and Nasdaq rules, which will require that a majority of our Board to be comprised of independent directors, and that the Board’s Compensation Committee and Nominating and Governance Committee each be composed entirely of independent directors, subject to permitted “phase-in” periods.

Maintaining a Culture of Compliance

We seek to comply with all applicable laws, rules and regulations globally. To ensure that our employees are knowledgeable and empowered to contribute to a culture of compliance, we provide mandatory annual compliance training. We extend this expectation to our key vendors, applying a thorough due diligence process before engaging in business with them. In our due diligence questionnaire for suppliers, we evaluate, among other things, their compliance with modern slavery and human rights laws and regulations.

Our position against trafficking and modern slavery is in alignment with our core belief that people matter. We have a [modern slavery statement](#) in place, and we apply it to all suppliers as part of our vendor due diligence process.

Risk Management

StepStone’s risk management function is led by our Head of Risk and our Head of Portfolio Management.

These executives work in parallel to maximize the efficiency of data, systems and other resources and ensure that they serve portfolio management and risk management needs. Risk management assures quantitative and qualitative measurements of various risks. For example, investments in client portfolios might be exposed to ESG related risks, which might negatively impact the net asset value of a portfolio or carry reputational risk.

The nature, scale and complexity of StepStone’s business requires a Portfolio and Risk Management Committee (PRMC) for each of our asset classes, the PRMCs provide oversight to ensure fiduciary duty is discharged.

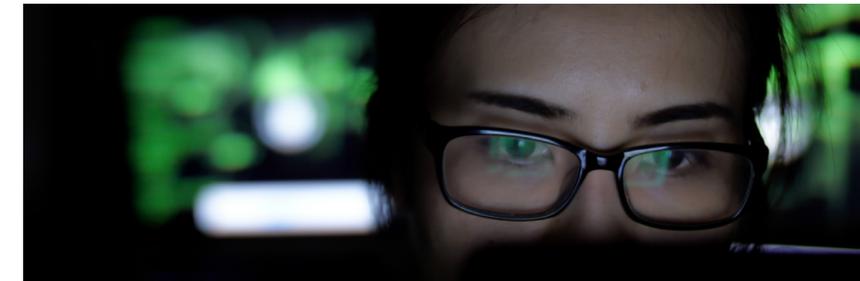
The risk management process includes:



Cybersecurity

The evolving nature of cyber risks facing our organization requires us to continually assess our cybersecurity and information security standards and perform regular tests on our ability to respond, recover and monitor potential threats.

Our Information Security Policy and [Data Privacy Policy](#) include processes, procedures and internal controls designed to mitigate security risks and safeguard our data. All cybersecurity efforts are overseen by our Head of IT, and supported by our Legal, Compliance and Risk functions. The Board’s Audit Committee is also charged with oversight of the firm’s information technology and cybersecurity risks.



Monitoring Risk

We are committed to keeping pace with processes and systems that adhere to global standards for data privacy and security, and have partnered with well-reputed cybersecurity providers in the industry. We conduct real-time monitoring of our systems and conduct both external penetration testing and internal vulnerability management testing, including periodic phishing tests on our employees. To prevent unauthorized or harmful traffic from entering our network, we implement logical segmentation of the network and leverage active directory groups for system controls and industry standard database encryption. IT management provides regular reports to the Board regarding any cybersecurity incidents or updates and a report is delivered at least annually to the Audit Committee on cybersecurity and information security matters.

Ongoing Training

All employees receive training on cybersecurity best practices and our security policies and procedures. As a result of this training, employees are able to recognize an incident and subsequently report it to our Incident Response Team. All new employees are also provided with training. Our IT team is responsible for developing and delivering ongoing security training and responding to environmental and operational changes, including new hardware or software, and increased threats. In 2021, we provided the Audit Committee with specific training on cybersecurity, information security and the Board’s oversight responsibilities.

Business Continuity

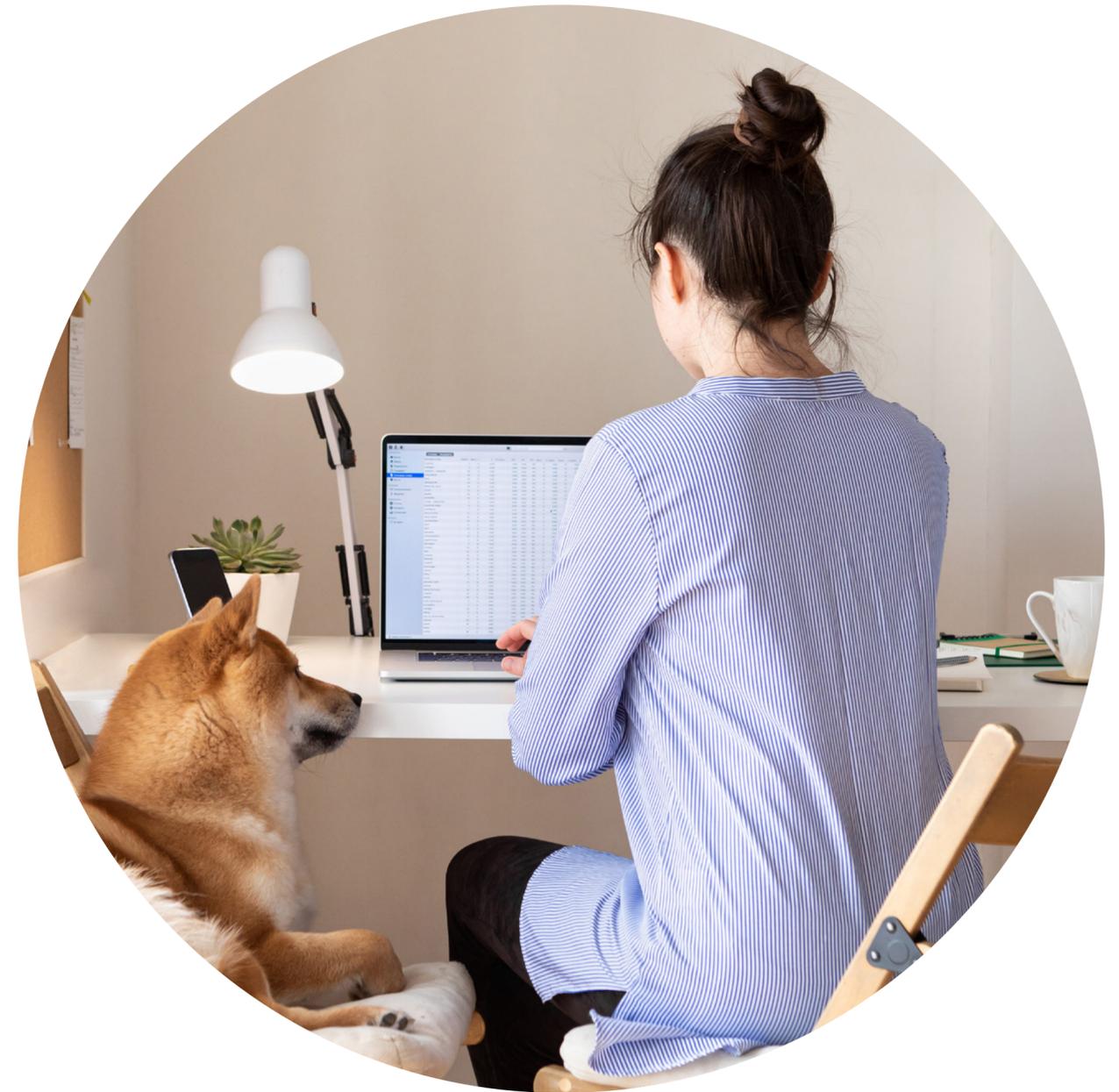
Over the past two years the coronavirus pandemic has tested the resilience of every business in the world, as we continue to contend with the effects of climate change, social and political unrest, and evolving cybersecurity risks.

It has never been more imperative for every kind of business to have a robust and well-considered business continuity plan. We are proactive in our planning and maintaining robust disaster recovery and business continuity plans. These plans outline the procedures to follow in the event of a disaster or business interruption, ensuring the continuity of our core business procedures and critical operations in an evolving risk landscape.

Business Continuity During the Pandemic

At StepStone, we have closely monitored the spread of COVID-19 and its resulting impact. During this period, we have taken several proactive measures to protect our employees while ensuring our clients are still provided with best-in-class investment and client support services. To maintain the safety of our team, we put in place the information technology architecture necessary for all employees to conduct their work from home. While our team members have now returned to the workplace, employees are able to work remotely as needed via redundant, secure, remote access systems, which provide access to StepStone’s network and information management systems from any internet enabled location.

Our business continuity plan and sophisticated technology infrastructure have enabled our teams to seamlessly transition and continue day-to-day operations. All of our employees have been able to work remotely from any location as a result of our investments in technology and our strategic decision to host proprietary systems critical to our business in the cloud.



Responsible Investment



In this Section

Our Approach

Responsible Investment Governance

Responsible Investment Process

Private Equity

Private Debt

Real Estate

Infrastructure & Real Assets

Diverse Manager Program

Impact and Thematic Investing

Our Approach

Responsible Investment (RI) is a core tenet of our investment philosophy and is aligned with our fiduciary duty. As an investor and allocator of \$548 billion in private markets, our responsibility to advocate for the promotion and adoption of RI practices is significant. The spectrum of RI encompasses ESG integration to impact investing.

Our commitment to RI comes from the belief that it has the potential to enhance the evaluation of forward-looking, risk-adjusted returns of investment opportunities, in addition to protecting and maximizing overall value for clients. This includes due consideration of Environmental, Social, and Governance risks and opportunities throughout our investment process. Further, as exposure to private markets is generally associated with longer investment terms, we believe that private markets programs are well suited for delivering real world outcomes that may align with the United Nations’ Sustainable Development Goals (SDGs), or specific themes or systemic issues, such as climate change or social equity.

We understand that our industry is still working to adopt ESG integration. We see enormous opportunities for our industry to diligently introduce and monitor ESG practices to truly drive change. At StepStone, we work to identify ESG risks and opportunities at every phase of the investment process, and align with relevant standards, frameworks and initiatives. In addition, we seek to have meaningful engagements with our GPs starting with the due diligence process and continuing throughout investment ownership.

As a signatory to the PRI, the TCFD and a member of the SASB Alliance, now part of the Value Reporting Foundation, our approach is aligned with the following principles and recommended disclosures:

- **Focus on Value Creation and Protection While Understanding Risk Exposures** — Focus on relevant RI considerations that can add and protect value, and mitigate risk exposures driven by ESG factors.
- **Suite of ESG Considerations** — we are informed by the frameworks noted above on the wide range of ESG issues from climate change to DEI and human rights. As the suite of ESG considerations continues to evolve so we need to expand our knowledge.
- **Materiality Focus** — We also utilize the SASB Materiality Map to assist in the identification of material risks and opportunities at an asset level, framing our engagement with our GPs on these risks, pre- and post-investment.
- **Accountability** — Our RI process leverages the investment experience of our team. Investment professionals are ultimately responsible for integrating ESG factors into investment analysis, with support from RI Workgroups for each asset class and oversight from the RI Committee.
- **Transparency** — As a signatory of PRI, we submit to annual reviews by the PRI, which enables continual review and aids process improvement. We are pleased to have received an A rating for the past five years.



Suzanne Tavill
Global Head of
Responsible Investment

“We believe integrating ESG considerations into private markets investing is critical to protecting and enhancing risk-adjusted returns for our clients.”

In this chapter, all StepStone Group consolidated entities are included, with the exception of Greenspring Associates (GA) due to its recent acquisition in September 2021. GA will be incorporated throughout the entire report in 2022.



We are actively involved with organizations which set global standards and frameworks for responsible investing, and we contribute as a keynote and panel speaker at industry events such as PEI, Responsible Investment conferences, SuperReturn, and Pension Bridge Summits.

We advocate for ESG topics through the publication of white papers related to ESG issues and discuss similar topics on our “Reflections on Private Markets (RPM)” podcast. In 2020 and 2021, we published five white papers on RI topics including, “The Largest Investment Opportunity of our Era: Decarbonizing the Global Economy”; “Understanding the EU Taxonomy”; “Making an Impact: A Guide for Private Markets Investors”; “Nature-Based Approaches to Decarbonization”; and “Going Net Zero: More Than Meets the Eye”. We also launched six podcasts on RI topics.

White Paper

Responsible Investing: Internalizing the Externality

Former UN secretary-general Kofi Annan’s paper “Who Cares Wins”, argued that there should be a direct relationship between good ESG management and good financial management. It was from this paper that the United Nations Principles for Responsible Investment emerged, and gradually, responsible investment began to enter the mainstream. In this white paper, we explore key frameworks and challenges in this area and delve into StepStone’s own investing philosophy. [Read more here.](#)



StepStone’s Responsible Investment Milestones

2013	2014	2018	2019	2020	2021
Became PRI Signatory Created Responsible Investment Committee	Adopted Responsible Investment Policy	Created DEI Committee	Became TCFD supporter Became SASB Alliance Member (now part of Value Reporting Foundation) Created asset class RI workgroups Introduced RI scorecard for primary investments Conducted our first carbon footprint analysis and made commitment to carbon neutrality	Became GRESB Member Launched Impact Capabilities ILPA Diversity in Action Founding Signatory	Became iCI member Became IIGCC member ESG Data Convergence Project supporter Committed to publishing our inaugural ESG report and TCFD report

Responsible Investment Governance

To ensure that we take ownership of ESG issues across all aspects of our business, we have an established governance structure in place. The peak body of this is the Responsible Investment Committee, which comprises senior professionals from each of our asset classes and shared services.

Our Head of Responsible Investment chairs the Responsible Investment Committee, which oversees our RI Policy and ensures its implementation throughout all investment activities and operations.

Responsible Investment Policy

Our Responsible Investment Policy governs our overall commitment and approach to ESG and impact investing. It is overseen by the Responsible Investment Committee, which ensures the policy is reviewed annually and diligently applied across our asset classes and investment strategies. Our policy is designed to be in alignment with best practice recommendations of the PRI and other peak bodies, and encompasses a comprehensive ESG assessment throughout the investment process.

Overview of our Responsible Investment Policy:

Commitment	Investment Process	Reporting & Transparency	Internal Operations
<p>Investing responsibly is in alignment with the principles that StepStone is built on. It is our belief that integrating ESG risks and opportunities into the investment process has the potential to enhance risk-adjusted returns for our clients.</p> <p>As signatories, we are committed to the PRI, the disclosure guidelines of the TCFD, and use SASB mapping & GRESB approaches where appropriate.</p>	<p>ESG considerations are embedded into our due diligence processes and decision-making across all asset classes and strategies (primaries, secondaries and co-investments). For all primary investments, we use the ESG scorecard.</p> <p>We engage at an asset level with GPs and management on addressing relevant material ESG issues both pre- and post-investment.</p>	<p>We are committed to PRI annual reporting, including producing publicly available transparency reports. We report on ESG related incidents through quarterly reports, or on an ad-hoc basis and show commitment to Responsible Investment in relevant contracts. This publication marks the inaugural ESG and TCFD report for the firm.</p>	<p>ESG factors are diligently incorporated across our internal decision making and governance structures. We place a high level of focus on the retention and well-being of our employees, with a focus on diversity, equity & inclusion initiatives. We also conduct extensive community outreach programs.</p> <p>We are a carbon neutral company and plan to maintain this status going forward.</p>

Responsible Investment Committee

The Responsible Investment Committee is StepStone’s leading governance body for ESG and responsible investments. It grew to 15 members in 2021, plus one observer. Representing all business units, the committee is composed of senior members of the firm representing all asset classes and functional areas. The Committee promotes new initiatives to drive excellence across our investment activities and sustainable business practices. Members of the Committee regularly present at StepStone’s global meetings, utilizing our internal database to post research, new updates, and progress in the area.



John Bohill
Partner, Private Debt
Dublin/London



Simon Beer
Partner, Infrastructure
& Real Assets
London/Toronto



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



Jose Fernandez
Partner & Co-COO
Private Equity
La Jolla



Scott Hart
Partner & CEO
Private Equity
La Jolla



Jennifer Ishiguro
Partner, Chief Legal
Officer & Secretary
La Jolla



David Jeffrey
Partner, Private Equity
London



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



Marc-André Mittermayer
Partner, Private Debt
Zurich



Lindsay Redfield
Partner, Private Equity
Baltimore



Thomas Hester
Managing Director
Real Estate
San Francisco



Pooja Patel
Managing Director
Real Estate
London



Vita Schultz
Managing Director
Data Science & Engineering
La Jolla



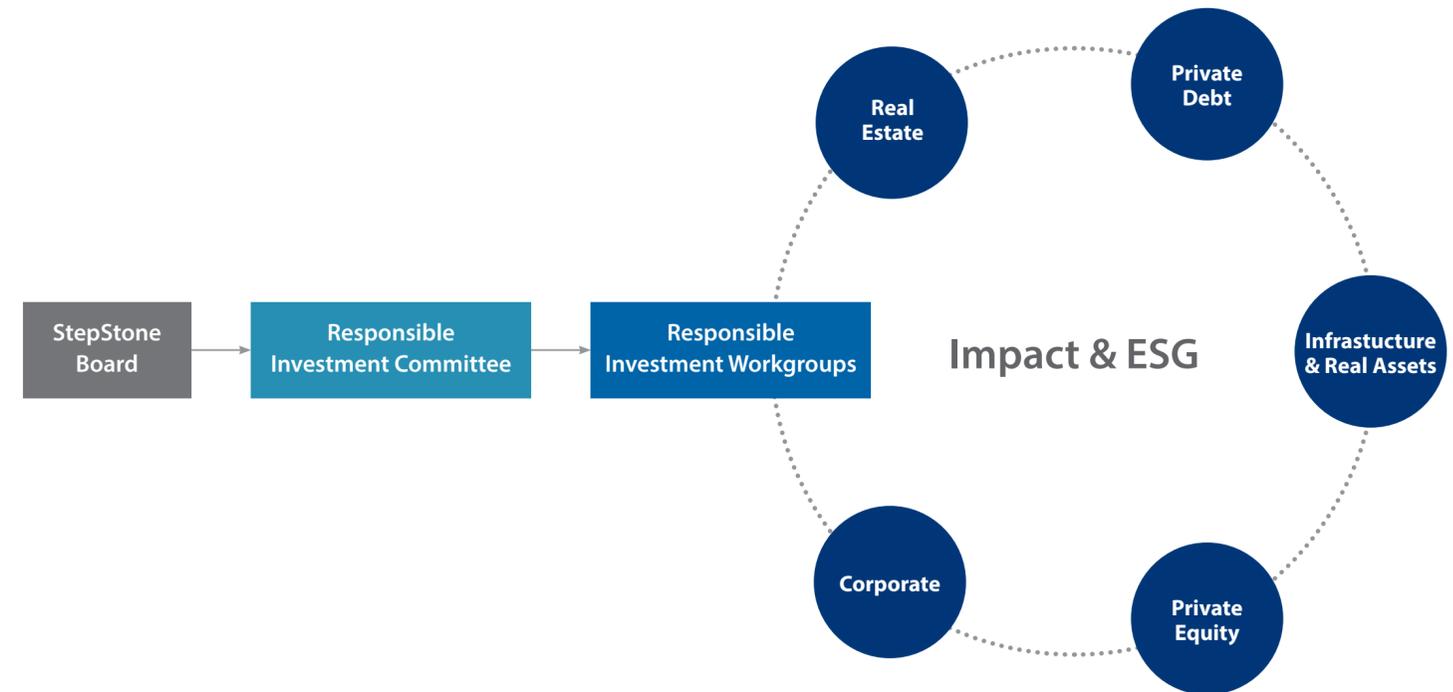
Bhavika Vyas
Managing Director
Impact
New York



Riaan Potgieter
Principal, Infrastructure
& Real Assets
London



Dawn Powell
(Observer) Vice President
Impact
New York



Responsible Investment Workgroups

The RI Committee is supported by five RI workgroups, one for each asset class and one for corporate-level initiatives. These workgroups engage closely with investment teams to ensure effective implementation of the RI processes. Specifically, each asset class has an RI Workgroup composed of asset class specialists as well as the Global Head of RI. These workgroups are responsible for the oversight of RI due diligence and monitoring, while driving ESG best practices across their team’s investment activities. Meetings

are held at least monthly for both the RI Committee and each workgroup to ensure that ESG-related information and research is shared among them.

Our RI governance structure, detailed above, drives the delivery of ESG due diligence and clients’ RI priorities and required exclusions across asset classes. This structure also ensures the consistency of implementation and standards throughout the entire organization.

The StepStone RI Workgroups

Corporate	Private Equity	Infrastructure & Real Assets	Private Debt	Real Estate
12 members	19 members	8 members	14 members	9 members

Responsible Investment Process

As one of the leading allocators and investors within private markets, we advocate for the adoption of ESG integration that is aligned to best practice throughout the ownership chain.

We believe that assets that are managed with consideration of ESG issues deliver enhanced risk-adjusted returns, and can be more marketable on sale to the listed market, secondary or strategic buyer.

We invest in **four asset classes** that are managed by our specialized private markets professionals: **Private Equity, Private Debt, Real Estate and Infrastructure & Real Assets.**



We take every opportunity to advocate for change and offer GPs a clear roadmap to improve their ESG performance. In 2021, we engaged with 64 GPs specifically on adopting an ESG policy, becoming a PRI signatory and implementing other ESG improvements.

As part of our continuous engagement post-investment, we have developed a detailed guidance module specifically for GPs, focused on a range of issues from ESG policy adoption and implementation to climate change.

StepStone has worked to integrate ESG considerations through our entire investment process and ownership lifecycle. **This is reflected in our 5 stage RI investment process.**

Phase 1: Screening

Phase 2: Due Diligence

Phase 3: RI Workgroup & Committee Review of Investment Memorandum

Phase 4: Investment Committee Decision

Phase 5: Post-Investment Management: Monitoring, Engagement & Reporting

Phase 1: Screening

We conduct enhanced screenings of all investments for exposure to sensitive sectors, including weapons, fossil fuels, gambling, and heightened ESG risks such as exposure to modern slavery. Before due diligence commences, our investment team will flag such exposures to the relevant RI workgroups and the RI Committee, and determine the due diligence approach that needs to be taken. Investments in sensitive sectors generally fail to progress through the due diligence process very early on. We also conduct negative screening if requested by our clients.

Phase 2: Due Diligence

By integrating ESG considerations in the investment due diligence phase, we provide a framework for a more comprehensive evaluation of risks and opportunities beyond the traditional financial and strategy evaluation. We use the due diligence process to actively query and advocate for ESG issues. In 2020 and 2021, we increased our focus on the following ESG considerations: Climate Change, Diversity, Equity & Inclusion and Human Rights.

StepStone has adopted a Modern Slavery Statement. A focus on human rights is integrated into our investment process and corporate operations. Our approach is further detailed in a case study published in August 2021, which we conducted for the PRI, titled “StepStone: Considering land, labor and data rights in ESG analysis”.

Due Diligence in our Primary Investments

We offer a comprehensive, global primary fund coverage model and helped our clients commit over \$60 billion in primary funds in 2021. All primary fund due diligences

incorporate a comprehensive assessment of ESG considerations. Our due diligence teams are focused on understanding if and how the GP considers ESG factors in their investment due diligence, decision making, and asset management. We conduct comprehensive analysis and data capture within our proprietary systems. This process involves in-depth queries on details such as the status of GPs’ ESG and sustainability policies, Responsible Investment leadership and training, exposure to sensitive sectors, and history of critical incidents, fines and warnings. Our investment teams conduct this evaluation through our due diligence questionnaire, onsite interviews, reference checking, and evaluation of the GP’s historical track record of ESG implementation.

StepStone ESG Scorecard

The StepStone ESG scorecard is applied to all primary investments. This scoring system aids in peer group analysis as well as monitoring GP progress over time. Our scoring process is split into five key areas of focus which are scored between 1 - 4: Policy, Accountability, Investment Process, Reporting and Strategy.

Due Diligence in Co-investments and Secondaries

For co-investments and secondaries, ESG analysis is conducted at two levels, focusing on the GP and individual assets. At the asset level, we utilize SASB Materiality Mapping, the TCFD framework, and GRESB criteria to evaluate the material ESG risks and opportunities. In secondary portfolios, our analysis focuses on key, value-driving assets. Due diligence timelines are often compressed for co-investment and secondary transactions. The breadth of our platform gives us a significant advantage due to the comprehensive information we have access to on the GP, including knowledge of the GP’s ESG approach. Combined, this approach allows us to identify key ESG risks, and whether they are being driven by the GP’s systematic approach or an asset specific issue. StepStone then explores the GP’s post-investment active management and monitoring plan, and advocates for the necessary changes to ensure ESG risks are mitigated, and opportunities are pursued.

ESG Scoring Areas

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

Phase 3: RI Workgroup & Committee Review of Investment Memorandum

Every investment's ESG due diligence is subject to review by the relevant RI Workgroup. In this active feedback process, we seek to ensure consistent quality of due diligence across the platform and share learnings. The RI due diligence is then escalated to the RI Committee for approval. This approval is a precondition before any investment can be taken to the relevant Investment Committee.

Phase 4: Investment Committee Decision

Every Investment Memorandum at StepStone contains an RI section, reviewed and approved by the RI workgroup and RI Committee. This ensures the relevant Investment Committee members have this information at their disposal when considering their votes. The Investment Committee discusses material ESG issues and makes the final investment decision accordingly.

Phase 5: Post-Investment Management: Monitoring, Engagement & Reporting

Post-investment, we take active ownership in assisting our GPs to improve their performance. Engagement takes place through board seats, observer roles (if applicable), participation in Annual General Meetings (AGM) and Limited Partner Advisory Committee (LPAC) meetings, proxy voting of public companies, and through over 3,700 meetings conducted with GP leadership annually. There have been several instances where our focus has resulted in additional reviews and the hiring of specialist consultants, particularly around environmental issues (e.g. waste discharge, air pollution) and DEI (e.g. hiring more women and ethnically diverse professionals). In some cases we have elevated these issues to the board level, which resulted in the additional hiring of members as part of the executive team that manages such issues.

In 2021, we conducted our inaugural ESG post-investment monitoring campaign, which involved evaluating GPs' ESG policies and processes and gathering data on diversity and carbon emissions. One key finding was that most GPs are in the preliminary stages of implementing carbon footprinting across their portfolios. This has allowed us to tailor our engagements and support of our partners accordingly.



StepStone has a long history in systematically collecting GP and asset level information through our comprehensive due diligence and monitoring processes. We have been working to integrate ESG data collection into these efforts.

To capture ESG information at every phase of the RI process, and draw meaningful trends and comparisons, we leverage data science and engineering to enhance the process through our proprietary platforms.

The StepStone suite currently includes:

SPI
StepStone’s Private Markets Intelligence Database

Enables clients to exponentially expand their market coverage by accessing the collective knowledge of StepStone’s research team. Our clients can access volumes of information on GPs simply by accessing this proprietary database online. This provides them with complete transparency into our investment process. Our research professionals also utilize this technology to collect and develop their qualitative and quantitative thoughts on managers.

Reporting & Transparency
Portfolio Analytics & Reporting

Supports investment monitoring and portfolio management and enhances transparency by providing users with a fast and intuitive user interface, as well as 24/7/365 web access to portfolio data. Omni is connected to StepStone’s research platform, SPI, allowing client users to leverage StepStone research data, further enhancing the user experience.

Identifying Potential Risks in Alignment with the SASB Materiality Map

We utilize the SASB Materiality Map to identify sector-specific risks at the level of GP, funds and underlying investments in both the pre- and post-investment phase. The below heat map shows the most prevalent risk exposures, by SASB general issue area, across the StepStone platform: Energy Management, Data Security, Waste & Wastewater Management, Product Design & Lifecycle Management, and Employee Engagement, Diversity & Inclusion. This knowledge allows us to show our clients the amount of Net Asset Value (NAV) exposed to each risk through a customized heat map, as well as tailor our engagements with GPs to focus on the most prevalent ESG issues in their portfolios.



Source: Omni, as of September 30, 2021.

Management of Critical ESG Incidents

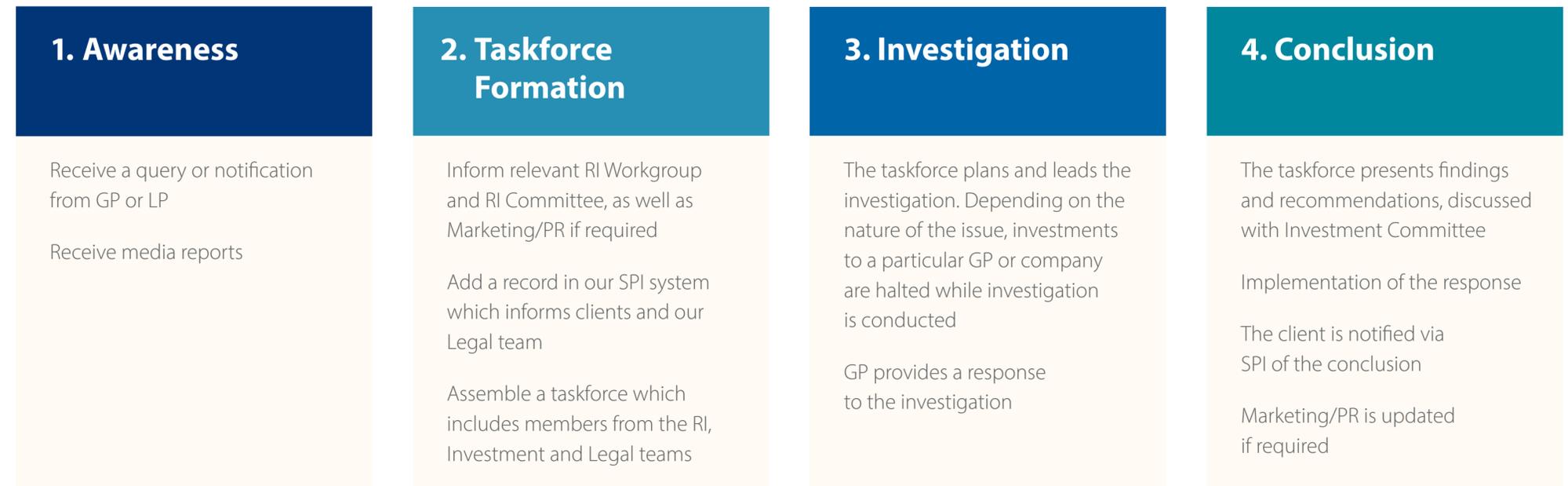
We have a structured approach to investigating potential critical ESG incidents on behalf of our clients. StepStone considers critical ESG incidents to include any violation of the GP’s stated ESG policy or potential breach of their code of conduct, as well as any incident that has a material negative impact on the GP/LP’s reputation and/or asset/portfolio value. Our process to monitor, control and mitigate critical ESG incidents occurs in the four phases noted in the following chart.

We work with GP or company management to mitigate or resolve the issue. This may involve bringing in specialists and/or consultants and making amendments to policies and procedures. StepStone reviews whether the issue is isolated or symptomatic of broader cultural or systemic issues. Every incident provides an opportunity to evaluate a GP or company’s policies and procedures, and see whether there is scope for improvement.

Overview of ESG Integration Across Asset Classes

In the following pages, we give an overview of ESG integration in each of our asset classes, highlighting data from our due diligence process and success stories from the post-investment phase.

Phases of Managing Critical ESG Incidents



Private Equity

Solutions that beat the benchmarks

StepStone Private Equity creates customized portfolios for clients using a disciplined and research-focused approach, covering the spectrum of private equity opportunities—from venture to growth equity, and small to mega buyouts. Through our multi-faceted investment approach, we have developed close relationships with many established and emerging managers around the world. Our extensive experience and high-quality investment process drives better informed decisions on behalf of our clients.

Overview of Private Equity GPs' key governance practices¹

Private Equity GPs Who	2020	2021
Have a Responsible Investment Policy	76%	84%
Are PRI signatories	26%	28%
Are TCFD supporters	1%	5%



David Jeffrey
Partner

“We seek to incorporate material ESG risks and opportunities into our investment analysis, decision making, and active management, and have seen a shift where the market is recognizing businesses well-positioned with respect to ESG issues.”

Total AUM/AUA	Approved in 2021	Investment Professionals	Partners	Average Overall Private Equity GP ESG Score(1-4 scale) ²
\$296B	\$44B	135+	32	2.3

As of January 31, 2022. All dollars are USD (unless stated otherwise) and represent StepStone private market exposure by asset class. Data includes Greenspring Associates metrics. AUM/AUA as of December 31, 2021. Reflects final data for the prior period (September 30, 2021), adjusted for net new client account activity through December 31, 2021. Does not include post-period investment valuation or cash activity. Approved figures represent StepStone-approved investment commitments on behalf of discretionary and non-discretionary advisory clients. Excludes clientele that receive research-only, non-advisory services. Ultimate client investment commitment figures may vary following completion of final GP acceptance/closing processes.

¹ The group of GPs reported on differs between 2020-2021, and excludes legacy Greenspring GPs

² 2020-2021

Case Study

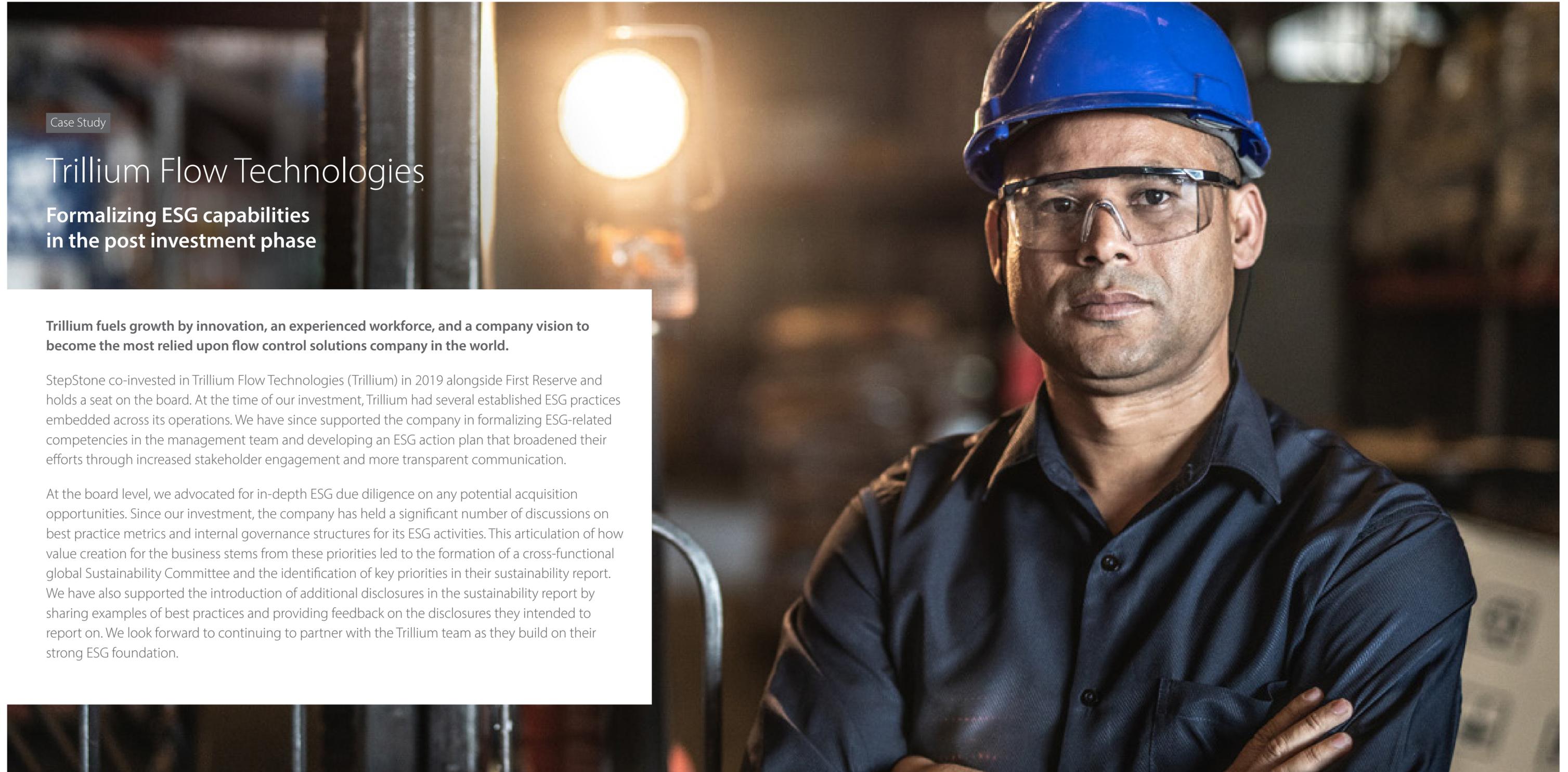
Trillium Flow Technologies

Formalizing ESG capabilities in the post investment phase

Trillium fuels growth by innovation, an experienced workforce, and a company vision to become the most relied upon flow control solutions company in the world.

StepStone co-invested in Trillium Flow Technologies (Trillium) in 2019 alongside First Reserve and holds a seat on the board. At the time of our investment, Trillium had several established ESG practices embedded across its operations. We have since supported the company in formalizing ESG-related competencies in the management team and developing an ESG action plan that broadened their efforts through increased stakeholder engagement and more transparent communication.

At the board level, we advocated for in-depth ESG due diligence on any potential acquisition opportunities. Since our investment, the company has held a significant number of discussions on best practice metrics and internal governance structures for its ESG activities. This articulation of how value creation for the business stems from these priorities led to the formation of a cross-functional global Sustainability Committee and the identification of key priorities in their sustainability report. We have also supported the introduction of additional disclosures in the sustainability report by sharing examples of best practices and providing feedback on the disclosures they intended to report on. We look forward to continuing to partner with the Trillium team as they build on their strong ESG foundation.



Private Debt

Flexible solutions for illiquid debt markets

StepStone Private Debt¹ targets privately negotiated transactions in corporate, real estate, and infrastructure debt to deliver solutions that can help preserve capital and potentially generate attractive yields.

Overview of Private Debt GPs' key governance practices²

Private Debt GPs Who	2020	2021
Have a Responsible Investment Policy	90%	93%
Are PRI signatories	41%	53%
Are TCFD supporters	7%	15%



John Bohill
Partner

“Our Private Debt investments are executed largely on a managed account basis, which allows us to tailor investment guidelines with our managers to limit or entirely exclude exposures deemed unattractive on a risk-reward basis. We look to embed ESG exclusions, which we believe align with our clients’ ESG priorities.”

Total AUM/AUA	Approved in 2021	Investment Professionals	Partners	Average Overall Private Debt GP ESG Score(1-4 scale) ³
\$43B	\$8B	60+	17	2.5

As of January 31, 2022. All dollars are USD (unless stated otherwise) and represent StepStone private market exposure by asset class. Data includes Greenspring Associates metrics. AUM/AUA as of December 31, 2021. Reflects final data for the prior period (September 30, 2021), adjusted for net new client account activity through December 31, 2021. Does not include post-period investment valuation or cash activity. The Private Debt investment team consists of 34 team members, and leverages the debt expertise of the Firm’s dedicated Real Estate, Distressed and Infrastructure professionals & partners, which are included in the headcount presented above. Approved figures represent StepStone-approved investment commitments on behalf of discretionary and non-discretionary advisory clients. Excludes clientele that receive research-only, non-advisory services. Ultimate client investment commitment figures may vary following completion of final GP acceptance/closing processes.

¹ Private Debt includes all asset classes, including Real Estate and Infrastructure debt totaling \$8.2 billion.

² The group of GPs reported on differs between 2020-2021

³ 2020-2021

Case Study

Freeport Financial Partners LLC

Encouraging diversity and increased adoption of ESG initiatives

Freeport couples industry expertise and product knowledge to serve the financing needs of private equity investors in the lower middle market.

StepStone invested in Freeport in 2016 and is one of the largest investors to date. Post investment, it was clear that there were many opportunities for ESG integration as they did not have an ESG policy in place nor any ESG initiatives. Out of the 18 total employees, there was no representation from racial or ethnic minorities and only one female professional. During our engagements with Freeport, we advocated for the adoption of an ESG policy and put increased focus on Freeport's approach to ESG integration in the due diligence process. We also advised for the inclusion of ESG analysis in a consistent manner during due diligence, and for ESG to be included on the agenda of the Annual General Meeting and Limited Partners Advisory Committee. Following our intervention, in February 2021 Freeport adopted an ESG policy. Freeport also began addressing diversity in its team by hiring two women, one on the investment team and one in the back office, in 2021.

Freeport is currently working with its parent company, Moelis Asset Management, on future ESG-related improvements. Furthermore, Freeport is in the process of becoming a signatory to the PRI. We continuously monitor the implementation of ESG improvements through quarterly calls.

Case Study

Tree Line Capital Partners

Bringing GPs into alignment with global frameworks

Tree Line Capital Partners is a private credit asset management firm focused on direct lending to the lower middle market.

StepStone invested in Tree Line Capital Partners in 2018 and is one of its largest investors. At the time of our investment, Tree Line did not have an ESG policy and had no consistent approach to considering ESG factors in its due diligence. StepStone communicated the importance it places on an ESG policy and advised Tree Line on how to consistently capture ESG factors during due diligence. In 2020, Tree Line adopted an ESG policy and became a PRI signatory. StepStone also highlighted the TCFD framework and Tree Line has moved to incorporate aspects of this framework into their due diligence process.

Due to the investment restrictions set forth by StepStone Private Debt, Tree Line is revising its expanded ESG policy which would prohibit investment in the following areas across all funds: fossil fuels extraction and refining, metals and mining, thermal coal power generation, high potential soil, air or water contamination, non-renewable resource consumption, operators with significant GHG emissions, weapons manufacturing, pornography and adult entertainment, tobacco products, illicit drugs, nuclear energy or predatory consumer finance (payday lending). Further embracing good corporate citizenship, Tree Line supported local business throughout the pandemic by offering financial support and has decided to donate 1% of its revenue to environmental issues.

Real Estate

Solutions to enhance risk-adjusted returns

StepStone Real Estate offers customized exposure to private real estate through our extensive investment expertise, broad research coverage and granular due diligence. We have built deep relationships in the private real estate sector, providing differentiated opportunities from an array of sources. We seek to optimize risk-adjusted returns and diversification by focusing on fund investments, secondaries, co-investments and recapitalization in partnership with managers we believe are best-in-class.

Overview of Real Estate GPs' key governance practices¹

Real Estate GPs Who	2020	2021
Have a Responsible Investment Policy	88%	91%
Are PRI signatories	36%	46%
Are TCFD supporters	8%	17%



Pooja Patel
Managing Director

“Real Estate has the potential to contribute to improving tenant livelihoods and reducing emissions—while needing to be prepared around physical risks caused by climate change. Integrating ESG considerations is critical for protecting and enhancing value.”

Total AUM/AUA	Approved in 2021	Investment Professionals	Partners	Average Overall Real Estate GP ESG Score(1-4 scale) ²
\$151B+	\$14B+	45+	7	2.5

As of January 31, 2022. All dollars are USD (unless stated otherwise) and represent StepStone private market exposure by asset class. Data includes Greenspring Associates metrics. AUM/AUA as of December 31, 2021. Reflects final data for the prior period (September 30, 2021), adjusted for net new client account activity through December 31, 2021. Does not include post-period investment valuation or cash activity. Approved figures represent StepStone-approved investment commitments on behalf of discretionary and non-discretionary advisory clients. Excludes clientele that receive research-only, non-advisory services. Ultimate client investment commitment figures may vary following completion of final GP acceptance/closing processes.

¹ The group of GPs reported on differs between 2020-2021

² 2020-2021

Case Study

Safe Host

Supporting the greening of data centers

Data centers are traditionally high carbon emitters, so as a majority shareholder of Safe Host we used our influence to ensure assets are built to a high sustainability standard and that emissions are monitored on an ongoing basis.

Since StepStone's initial investment in 2019, we have encouraged Safe Host to invest time and resources into improving the monitoring, reporting and internal processes around environmental standards and emissions.

In addition, we have ensured Safe Host continues to use 100% renewable energy from the Swiss grid and sustainable building features such as solar panels, EV charging spaces, rainwater retention, green roofs, and district heating supply connections, which are incorporated into the data centers wherever possible. Carbon emissions are diligently measured at each data center in terms of tCO₂e and Safe Host recently achieved ISO14001:2015 certification in environmental management systems.

The steps taken to date have led to more focus on sustainability and highlighted the importance of these issues to Safe Host's customers. Further initiatives are underway to improve monitoring and reporting, creating internal policies around sustainability, and gaining sustainability accreditations for the properties.



Case Study

Asland Capital Partners, the Heritage at Old Town: Preserving & creating affordable housing

Heritage at Old Town apartments in an award-winning community in Alexandria, Virginia, United States

Originally built in 1976, the Heritage at Old Town (“Heritage”) is an existing mixed income apartment complex whereby 140 of the 244 units were subsidized via a federal Housing Assistance Payment Contract (“HAP”).

In 2019, StepStone invested as the majority shareholder alongside Asland Capital Partners (“Asland”), a minority-owned partner whose mission is to acquire, reposition, and operate best-in-class multifamily and mixed-use assets in revitalizing sub-markets that improve communities throughout the U.S. and enhance the lives of their residents.

Old Town, Alexandria, is historically an extremely supply constrained market. At the time of our acquisition, the Heritage HAP contract had expired and was being annually renewed by the seller. Rather than terminating the contract and bringing all units to market prices, Asland and StepStone worked with the City of Alexandria to create a win-win solution for residents, the city, the community and ownership. This plan consisted of rezoning the existing site. We collectively spent two years executing a master planned development, ultimately receiving approvals to build 750 units, of which 140 are preserved affordable and 55 are new affordable units.

At the end of 2021, the property was sold to Jair Lynch (a local, minority owned developer) who will complete the development. Asland Capital Partners remains invested, offering relationship consistency with local government, the community and tenant base. When the tenants move back in, it will be into a Class A building with upgraded amenities. In 2021, the City of Alexandria was a co-winner of the Urban Land Institute’s Housing Policy Leadership award, which recognizes exemplary programs, policies and practices that support the production, rehabilitation or preservation of workforce and affordable housing.



Infrastructure & Real Assets

Innovative solutions for a maturing sector

StepStone Infrastructure & Real Assets provides tailored solutions to meet the needs of institutional investors at any stage of their investment program. We have developed a distinctive, global model for sourcing and reviewing opportunities across multiple jurisdictions and investment strategies. We seek opportunities in social and economic infrastructure to deliver solutions that can preserve capital, diversify portfolios and potentially generate stable cash flows.

Overview of Infrastructure & Real Assets GPs' key governance practices¹

Infrastructure & Real Assets GPs Who	2020	2021
Have a Responsible Investment Policy	100%	100%
Are PRI signatories	76%	92%
Are TCFD supporters	24%	58%



Simon Beer
Partner

“ESG considerations have always been a critical factor in infrastructure investment and asset management, from climate change to social license to operate amongst many others, and always will be given the long-dated investment horizon of infrastructure. We believe understanding and managing ESG risks as well as opportunities plays a critical role in delivering optimized risk-adjusted returns for our clients.”

Total AUM/AUA	Approved in 2021	Investment Professionals	Partners	Average Overall Infrastructure & Real Assets GP ESG Score (1-4 scale) ²
\$64B+	\$13B+	50+	7	3.1

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¹ The group of GPs reported on differs between 2020-2021

² 2020-2021

Case Study

Forth Ports: Protecting and enhancing biodiversity

Forth Ports is one of the UK's largest port groups

StepStone, alongside a number of clients, invested in Forth Ports in 2018. Through board representation, we continue to engage and support the management team on ESG initiatives, including a project to enhance biodiversity at a new port development.

As part of the development of the UK's newest port, management identified an adjacent plot of land, which had previously operated as a power station, as required for expansion. This land had developed into a unique habitat for insects. To proceed with the development, a plan to mitigate the impact of the expansion project on the rich biodiversity that had developed on the adjacent site was required. An ambitious ecological program aimed at protecting and enhancing biodiversity at the port was put in place. The proposed measures were included in the consenting process and the business consulted widely with both Statutory bodies and interest groups.

This ecological project included several actions such as the acquisition of alternative sites to rehouse the various species; developing new habitats for invertebrates, reptiles and water voles; translocation of 14,500 tonnes of substrate to rehouse the wide variety of insect species on the new site; and migrating reptile and invertebrate populations that were present at the original site.

The recreation of brownfield habitats is novel and rarely attempted, but Forth Ports had already carried out successful translocation of species as part of a previous development and felt it could leverage that experience and create a net ecological gain on a larger scale as part of the new port development. Ecological specialists were appointed to oversee every element of the process and ensure that it was successfully completed before construction work began.

Surveys undertaken at the new site have found that the new habitats created are supporting a proportionally higher number of rare and scarce invertebrate species than had been found at the original site prior to development. The most recent report concluded that the new habitat "continues to support a remarkable richness and abundance of invertebrates and is a habitat of very high conservation importance for invertebrates."



Diverse Manager Program

Research indicates a clear link between fund manager diversity and attractive financial returns.

At present, most private markets programs are underexposed to diverse managers, which we consider as GPs in which women and/or racially and ethnically diverse persons own 33% of the management company, hold 33% of the carried interest for the relevant fund, and/or comprise 33% of the key persons for the relevant fund. With historical records of outperformance, the diverse-owned manager universe makes for a compelling investment opportunity. Focusing on this untapped alpha, StepStone tracks over 500 diverse managers and 1,000 funds

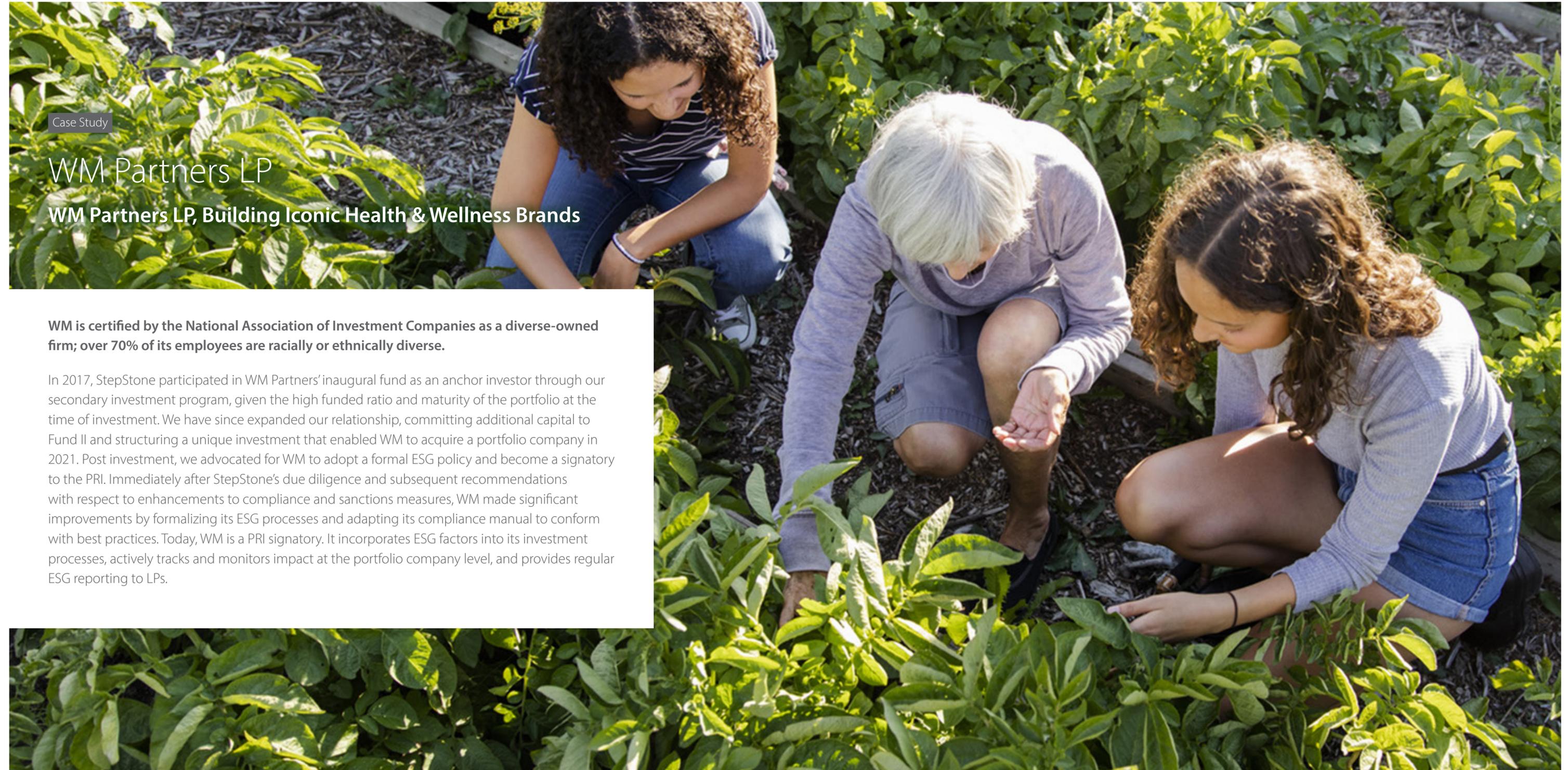
across all private markets asset classes. Last year, we held 345 meetings with diverse-owned GPs through normal course of business. Sourcing and investing with diverse managers has always been core to StepStone's belief that a diverse team makes better informed decisions, which can lead to better outcomes. A large platform with access to diverse managers is critical to building a successful private markets portfolio.

Since our inception, StepStone has approved \$22+ billion in primary commitments to 140+ diverse-owned private equity GPs.



Jose Fernandez
Partner & Co-COO

“Despite the potential to generate alpha, many high-quality diverse managers and management teams are overlooked and underfunded.”



Case Study

WM Partners LP

WM Partners LP, Building Iconic Health & Wellness Brands

WM is certified by the National Association of Investment Companies as a diverse-owned firm; over 70% of its employees are racially or ethnically diverse.

In 2017, StepStone participated in WM Partners' inaugural fund as an anchor investor through our secondary investment program, given the high funded ratio and maturity of the portfolio at the time of investment. We have since expanded our relationship, committing additional capital to Fund II and structuring a unique investment that enabled WM to acquire a portfolio company in 2021. Post investment, we advocated for WM to adopt a formal ESG policy and become a signatory to the PRI. Immediately after StepStone's due diligence and subsequent recommendations with respect to enhancements to compliance and sanctions measures, WM made significant improvements by formalizing its ESG processes and adapting its compliance manual to conform with best practices. Today, WM is a PRI signatory. It incorporates ESG factors into its investment processes, actively tracks and monitors impact at the portfolio company level, and provides regular ESG reporting to LPs.

Impact and Thematic Investing

Investors are realizing that there does not need to be a trade-off between fiduciary responsibility and creating positive social and environmental impact.

With socio-economic demographics shifting globally and a heightened focus on tackling issues such as climate change and social inequality, interest in impact and thematic investing is greater than ever. At the same time, the opportunity set is broader and more mature.

Focusing on credible impact strategies executed by capable investment teams, we perform rigorous due diligence on investments and offer purposeful impact management for our clients, helping them to overcome common challenges, such as greenwashing and difficult peer group comparisons. We follow a proprietary framework which aligns with industry standards across three pillars: Purpose, Process and Performance.

We work with clients to develop customized impact portfolios across primaries, secondaries and co-investments and offer both advisory solutions and separately managed accounts. Drawing from our global platform and deep knowledge across asset classes, we cover the breadth of institutional managers across impact themes and regions.

	Purpose	Process	Performance
Definition	Matching social or environmental impact objectives of our clients with aligned products	Evaluating rigor of impact strategy and processes to manage impact Providing insights into the range of approaches in the market today	Measuring and reporting on impact performance
Aligned Frameworks			
StepStone Approach	StepStone Impact Theme Mapping	Impact Investment Process	Monitoring & Reporting: Fund Level KPIs Relevant for Each Impact Theme



Bhavika Vyas
Managing Director &
Member of the Responsible
Investment Team

“Impact investing in private markets is very powerful—investors have the unique ability to influence both financial and non-financial impact outcomes.”

Impact and Thematic Investing Overview¹

\$ 12B+ AUM/AUA

530+ GP Relationships

850+ Funds in SPI

¹ Figures as of 12/31/2021

StepStone Impact Theme Mapping

StepStone has developed a proprietary impact theme mapping that we use to track what we believe to be the best opportunities to generate positive social and environmental outcomes and commercial financial returns. Our mapping focuses on investable themes that align with the United Nation’s 17 Sustainable Development Goals, capturing investments across the following five themes:

Environmental		
Energy Transition	Natural Capital	
Social		
Empowerment	Health	Sustainable Communities

In order to build portfolios customized to the risk and return profiles of our clients, we use our Impact Theme Mapping to track investment opportunities across all of our asset classes.

The StepStone Impact Investment Process

Our impact investing process is designed to align with our existing processes, drawing on expertise from both our dedicated impact and asset teams. We are particularly focused on the pre-investment phase, working with clients to discover the impact they want to achieve in their investments. We then assess relevant ESG and impact considerations for each investment opportunity, including GP capability and alignment for required impact reporting. In the post investment phase, we report on portfolios with metrics aligned with our StepStone Impact Theme Mapping, the SDGs, and client requirements.

Impact Due Diligence for Primary Investments

In addition to the extensive ESG due diligence performed for our primary investments as part of our Responsible Investment process, we conduct a specific impact evaluation and scoring for the opportunities we consider for impact-focused accounts, across the following five dimensions:

Impact Scorecard

Impact Alignment	Accountability	Impact Assessment	Impact Contribution	Monitoring & Reporting
Clarity of the manager’s social or environmental impact objectives, their alignment with relevant market standards, and the degree to which they’re supported by evidence	Evaluation of the manager’s impact capabilities, governance, integration and codification in fund and investment contracts	Level of due diligence around impact risks and opportunities, integration of impact in decision-making and level of impact targets	Clear articulation and evidencing of the fund’s strategic value-add to support the portfolio company’s impact	Quality of impact reporting in alignment with industry standards and the process to engage portfolio companies in case of underperformance or impact risk

Impact Due Diligence for Co-investments and Secondaries

For co-investments and secondaries, we perform impact due diligence to assess both fund and asset level fit with our proprietary Impact Theme Mapping, and across our key areas of diligence, leveraging the SASB Materiality map as well.

Impact Monitoring and Reporting

Our Responsible Investment reporting is further customized with additional strategy-specific data points relevant to the specific themes, and which meet client reporting requirements. Based on our proprietary mapping methodology, we are also able to report on likely contribution to the UN SDGs at both the GP and client portfolio level. Additional impact metrics will vary by the areas of impact the investment is targeting.

White Paper

Making an Impact: A Guide for Private Markets Investors

There have been enormous changes in investor appetite over the past decade. In our white paper ‘Making an Impact: A Guide for Private Market Investors’, we provide insight into the evolution of impact investing, mapping it to global frameworks and weaving in our experience of formulating and deploying an impact strategy. To learn more, [read the full white paper here](#).

Case Study

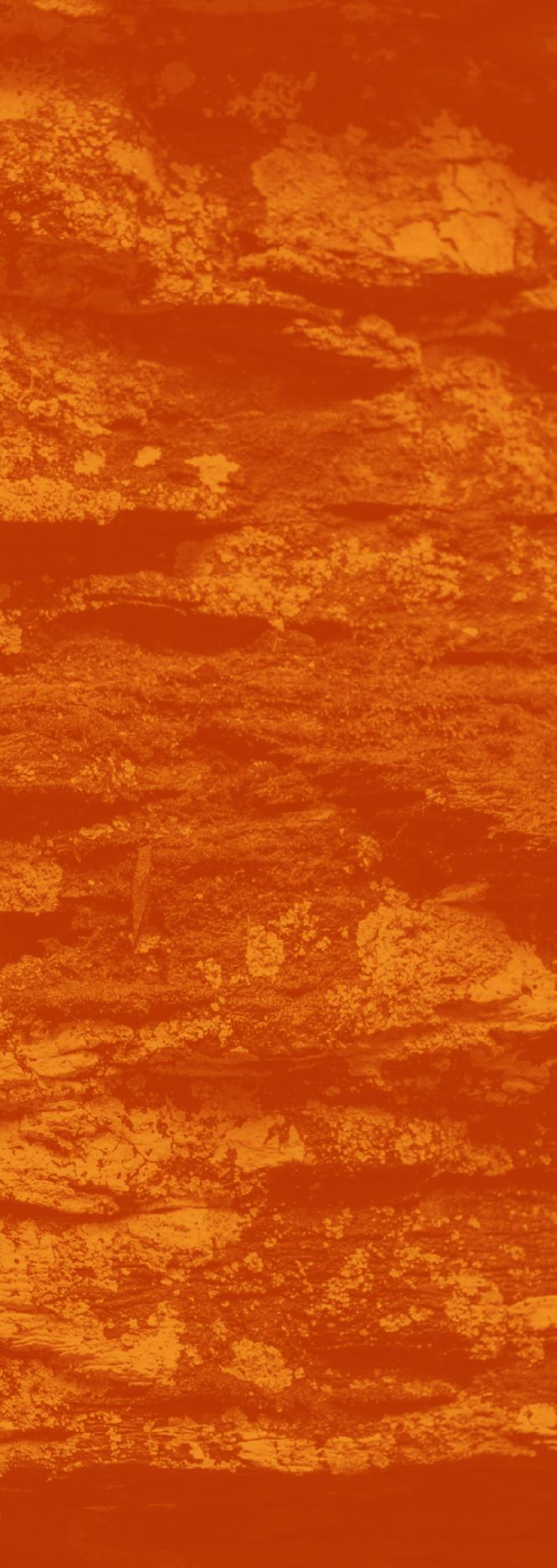
Generate Capital PBC

Investing in the Energy Transition

Generate Capital PBC is a leading sustainable infrastructure company driving the infrastructure revolution

Generate builds, owns, operates and finances solutions for clean energy, water, waste and transportation. In 2017, StepStone co-invested in Generate alongside Activate Capital, a minority-owned growth equity partner to companies building smart, sustainable systems across the energy, transportation, and industrial technology markets. Core to the StepStone investment thesis was that Generate stood at the forefront of the energy transition in the US. Since the investment, Generate has grown significantly and scaled substantially. Prior to our investment, Generate had 23 employees and a modest portfolio, with a growing pipeline driven by 14 established developer partners. Today, the company employs 265 people and holds over 2,500 assets, with a pipeline supported by over 40 technology and project developers amounting to well over its \$2 billion in capital raised in 2021. In November 2021, Generate became a Public Benefit Corporation, underscoring its commitment to positive environmental impact. Its projects have helped create thousands of jobs across communities and the infrastructure assets already on its balance sheet are expected to prevent over 43 million metric tons of CO₂e from entering the atmosphere over the course of their operations.





The Way Forward

Looking Ahead

Looking Ahead

This inaugural report marks our ongoing commitment to expanding our ESG efforts and transparently engaging with our stakeholders, outlining our progress and challenges along the way.

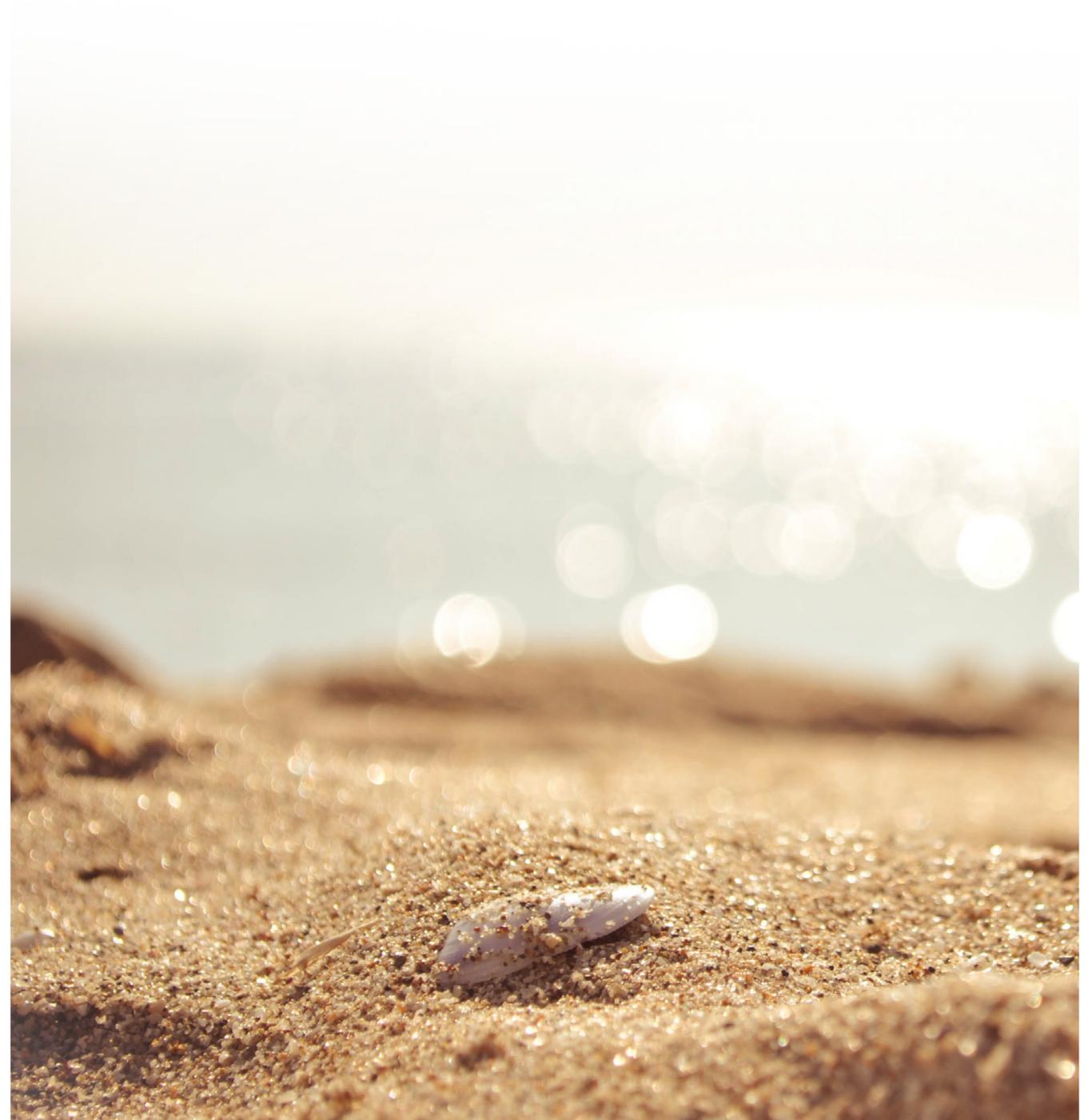
Like most journeys, cooperation and partnership will undoubtedly be essential for a successful outcome. By exploring the ESG issues facing LPs and GPs alongside our own, we aim to build a mutual understanding that will help us to continue driving change in our industry.

Until significant systemic changes occur, climate change will continue to be a global priority prompting innovation and change across every industry. As private markets investors, we are taking ownership of our potential to catalyze change by embedding analysis of climate-related risks and opportunities in our investments. As the industry moves towards greater data alignment, we are strengthening our own adherence to TCFD recommendations and advocating for GPs to do the same. In the coming year, we will be participating in the ESG Data Convergence Project and further engaging with our GPs, helping them to improve their commitment to measuring their carbon footprint and aligning with the Paris Agreement. We will also be paying close attention to the growing industry focus on biodiversity and the developments of the Taskforce on Nature-related Disclosures (TNFD).

As impact investment continues to expand, fiduciary duty and the potential to create positive social and environmental impacts are being recognized as one and the same. We are excited to support our clients as they develop programs aligned with themes that are important to their stakeholders, and to help them come into alignment with the Sustainable Development Goals and other global ambitions.

As a people-first organization, a focus on human rights resonates strongly and has already been brought into the spotlight in 2022. While we continue to monitor the unfolding humanitarian crisis in Ukraine, we have already extended our support to the International Rescue Committee's emergency appeal, as they work to provide aid to those who have been displaced. This emphasis on human rights is set to be a defining theme in the coming years, as we seek to broaden our focus in this area, in line with frameworks developed by the PRI and related organizations.

We would like to extend our sincere thanks to our stakeholders for their continued interest and support. We welcome and encourage feedback on this report as we strive to meaningfully progress on our ESG journey.





GRI & SASB Indices

GRI Content Index

We identified GRI disclosures that relate to our material topics. Responses are either mentioned directly, or linked back to specific sections in this report, or other reports and resources published by StepStone.

Disclosure	Description	Response & Location
GRI 2: General Disclosures 2021: 1. The organization and its reporting practices		
2-1	Organizational details	<ul style="list-style-type: none"> • Name: StepStone Group Inc. (Nasdaq: STEP) is a global private markets investment firm focused on providing customized investment solutions and advisory and data 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: 450 Lexington Avenue, 31st Floor, New York, NY 10017 • Telephone: (212) 351-6100 • Countries of Operation: Our Offices • Services and key activities: S-1/A (sec.gov), Our Company, p.1-26
2-2	Entities included in the organization's sustainability reporting	All consolidated entities of StepStone Group are included in the corporate section of this report. With respect to the responsible investment section, all StepStone Group consolidated entities are included with the exception of Greenspring Associates due to its recent acquisition in September 2021. Please refer to p.80 of our 10-K for information on our subsidiaries.
2-3	Reporting period, frequency and contact point	<p>About this Report, p.2</p> <ul style="list-style-type: none"> • ESG reporting period: January 1, 2021 - December 31, 2021 • Fiscal year end: March 31st <p>Please contact us at ESGreport@stepstonegroup.com for questions or comments about this report.</p>
2-4	Restatements of Information	None
2-5	External assurance	<ul style="list-style-type: none"> • StepStone did not seek external assurance for the 2021 ESG Report • The annual financial statements are audited by Ernst & Young LLP

Disclosure	Description	Response & Location
GRI 2: General Disclosures 2021: 2. Activities and workers		
2-6	Activities, value chain and other business relationships	<ul style="list-style-type: none"> • About StepStone, p.3 • Services and key activities: S-1/A (sec.gov), Our Company, p.1-26 • StepStone works with third-party service providers, many of which go through a rigorous due diligence process.
2-7	<p>Employees:</p> <p>(a) permanent employees, and a breakdown by gender, race or ethnicity, and by region;</p> <p>(b) temporary employees, and a breakdown by gender, race or ethnicity, and by region;</p> <p>(c) non-guaranteed hours employees, and a breakdown by gender, race or ethnicity, and by region;</p> <p>(d) full-time employees, and a breakdown by gender, race or ethnicity, and by region;</p> <p>(e) part-time employees, and a breakdown by gender, race or ethnicity, and by region;</p>	<p>Human Capital Development, p.11-12</p> <p>(a) Total: 763</p> <ul style="list-style-type: none"> • Females: 282 (37%), Males: 481 (63%) • White: 511 (67%), Asian: 152 (20%), Hispanic: 42 (6%), African American: 25 (3%), Two or More Ethnicities: 32 (4%), Native American: 1 (0%) <p>(b) There are no temporary employees</p> <p>(c) There are no non-guaranteed hours employees</p> <p>(d) Total: 759</p> <ul style="list-style-type: none"> • Females: 278 (37%), Males: 481 (63%) • White: 507 (67%), Asian: 152 (20%), Hispanic: 42 (6%), African American: 25 (3%), Two or More Ethnicities: 32 (4%), Native American: 1 (0%) <p>(e) Total: 4</p> <ul style="list-style-type: none"> • Females: 4 (100%) • White: 4 (100%) <p>Data presented as of December 31, 2021</p>
2-8	Workers who are not employees	There are two independent contractors engaged in work related to business development and research.

Disclosure	Description	Response & Location
GRI 2: General Disclosures 2021: 3. Governance		
2-9	Governance Structure	<ul style="list-style-type: none"> Of the nine members of the Board of Directors of StepStone Group Inc., three are independent and form part of the Audit Committee. Five members are executive officers, non-executive officers or partners of the firm, and one member is an outside director. The Board includes two women and two members of racial or ethnic minorities. <p>Refer to:</p> <ul style="list-style-type: none"> Board of Directors webpage Corporate Governance webpage Principles of Corporate Governance Board Committee Composition webpage Management Team webpage Proxy 2021 Annual Meeting of Stockholders of StepStone Group Inc, p.1-9
2-10	Nomination and selection of highest governance body	<p>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.</p> <p>Refer to:</p> <ul style="list-style-type: none"> Principles of Corporate Governance Nominating and Corporate Governance Committee Proxy 2021 Annual Meeting of Stockholders of StepStone Group Inc, Procedures for Recommending Individuals to Serve as Directors, p.6
2-11	Chair of the highest governance body	<p>Co-Founder Monte Brem is the Chairman of the Board and also serves as Executive Chairman of the Company. Scott Hart was named StepStone's Chief Executive Officer, effective January 1, 2022.</p> <p>Refer to:</p> <ul style="list-style-type: none"> Monte M. Brem's biography StepStone Group Announces Leadership Transition Press Release
2-12	Role of the highest governance body in overseeing the management of impacts	<p>Management is responsible for approving the organization's mission, vision, values, strategies, policies and due diligence processes related to sustainable development and responsible investments. Furthermore, StepStone is working towards establishing a framework for the Board's oversight of ESG activities as of 2022. The Board delegates the responsibility of stakeholder engagement to the executive team based on the stakeholder category. The Board and its committees meet periodically to review the effectiveness of the organization's processes with respect to ESG, and receives periodic progress reports on ESG and DEI.</p>

Disclosure	Description	Response & Location
2-13	Delegation of responsibility for managing impact	<p>The core responsibilities of the Board of StepStone Group Inc. Board of Directors includes oversight of ESG matters, including:</p> <ul style="list-style-type: none"> the shaping of effective corporate governance oversight of the Company's strategies and policies relating to human capital management, including with respect to matters such as diversity and inclusion, 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 Company's business <p>ESG at the corporate level is led and managed by the executives of the Company. The Responsible Investment Committee, which oversees ESG across our investment portfolio, is composed of cross-functional, senior employees of the Company and chaired by the Global Head of Responsible Investment.</p> <p>Refer to:</p> <ul style="list-style-type: none"> Responsible Investment Policy
2-14	Role of the highest governance body in sustainability reporting	<p>Management delegates the responsibility of reviewing and approving the ESG report to the Responsible Investment (RI) Committee, of which the CEO is a member.</p> <p>Note: The RI Committee is not a Board committee</p>
2-15	Conflicts of interest	<p>The Board has a clear process to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest.</p> <p>Refer to:</p> <ul style="list-style-type: none"> Code of Conduct and Ethics Proxy 2021 Annual Meeting of Stockholders of StepStone Group Inc, P.1-9

Disclosure	Description	Response & Location
2-16	Communication of critical concerns	<ul style="list-style-type: none"> 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 & 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 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 advisors 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 quarterly basis, the Chief Legal Officer presents a report to the Audit Committee communicating all reports received and summarizing, 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, also makes quarterly inquiries as to any reports which would constitute a critical concern. During the reporting period, there were no significant reports presented to the Audit Committee. There was one incident involving a former employee, unrelated to the Firm's business, that was brought before the firm's Audit Committee.

Disclosure	Description	Response & Location
2-17	Collective knowledge of the highest governance body	<p>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. The Board will be presented with an ESG update on at least an annual basis and will be invited to provide feedback.</p> <p>Refer to:</p> <ul style="list-style-type: none"> Proxy 2021 Annual Meeting of Stockholders of StepStone Group Inc, Board Qualifications & Diversity, p.5-6
2-18	Evaluation of performance of the highest governance body	<p>The Board and each of its standing committees conducts 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.</p> <p>Refer to:</p> <ul style="list-style-type: none"> Principles of Corporate Governance Nominating and Corporate Governance Committee Charter
2-19	Remuneration policies	<p>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. Non-independent directors do not receive compensation for service on the Board. The Board is responsible for setting annual and long-term performance goals for the CEO, evaluating their performance against those goals, and setting their compensation.</p> <p>Refer to:</p> <ul style="list-style-type: none"> Compensation Committee Charter Code of Conduct and Ethics Proxy for 2021 Annual Meeting of Stockholders of StepStone Group, Executive Compensation, p.15
2-20	Process to determine remuneration	<p>Refer to:</p> <ul style="list-style-type: none"> Compensation Committee Charter Proxy for 2021 Annual Meeting of Stockholders of StepStone Group, Compensation Committee Interlocks and Insider Participation, p.9
GRI 2: General Disclosures 2021: 4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	<p>Refer to:</p> <ul style="list-style-type: none"> Introduction, Letter from the CEO, p.5

GRI Content Index | SASB Content Index

Disclosure	Description	Response & Location
2-23	Policy commitments: (a) policy commitments for responsible business conduct (b) policy commitment to respect human rights	(a) The Responsible Investment (RI) Committee's mandate is to develop StepStone's RI Policy, approach to ESG analysis, advocacy, and to provide firm-wide training. This committee is supported by a series of RI Workgroups. The RI policy addresses clauses related to human rights. (b) Material StepStone vendors go through a Vendor Due Diligence Questionnaire which has elements related to human rights and ethical business relations. Vendors and stakeholders are expected to comply with StepStone's Modern Slavery Statement. The Statement covers both StepStone's operations and investment activities.
2-24	Embedding policy commitments for responsible business conduct	The Responsible Investment Committee is supported by a series of RI Workgroups. These workgroups have specialist assets or functional knowledge and engage closely with the investment teams to ensure effective implementation of the RI processes. These RI Workgroups review work conducted by the investment team before it is escalated for approval to the RI Committee. Importantly, the Responsible Investment effort is supported by Partners across 23 offices in 14 countries, who have responsibility for policy implementation. Research is carried out by 275 investment professionals, who are organized by sector and geography to ensure broad and deep coverage of the private markets. The RI committee reviews all ESG-focused due diligence in our investment memoranda before they are submitted to the relevant Investment Committee. Training is conducted at least annually.
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 instances of non-compliance with laws or regulations were identified by applicable regulatory authorities, including but not limited to the U.S. Securities and Exchange Commission.

Disclosure	Description	Response & Location
2-28	Membership association	<ul style="list-style-type: none"> • PRI signatory. Member of the Private Equity Advisory Committee (2022), LP ESG DDQ Working Group (2021), Global Policy Reference Group, Practitioners Workgroup on the EU Taxonomy (2019/2020) • TCFD signatory • SASB Alliance member (now part of the Value Reporting Foundation) • GRESB member • Institutional Investors Group on Climate Change (IIGCC). Member of Private Equity and Infrastructure Workgroups • initiative Climat 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 Project <p>StepStone Real Estate is a member of the following real estate organizations:</p> <ul style="list-style-type: none"> • Defined Contribution Real Estate Council (DCREC) • Investors in Non-Listed Real Estate Vehicles (INREV) • National Association of Real Estate Investment Managers (NAREIT) • National Council of Real Estate Investment Fiduciaries (NCREIF) • Pension Real Estate Association (PREA) • State Association of County Retirement Systems (SACRS) • Urban Land Institute (ULI) <p>StepStone supports the below organizations to promote DEI:</p> <ul style="list-style-type: none"> • Access Distributed • Girls who Invest • 100 Black Interns • Level 20 • Out LGBT+ Network Investors • PE WIN • PREA Foundation • Sponsors for Educational Opportunity (SEO) • Toigo Foundation • WAVE • TIDE (The Investment Diversity Exchange)

Disclosure	Description	Response & Location
GRI 2: General Disclosures 2021: 5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	Refer to: • ESG Priorities, Stakeholder Engagement Process, p.7
2-30	Collective bargaining agreements	Currently, there are no employees covered by collective bargaining agreements. StepStone does not prevent any employee from participating in any collective bargaining efforts.
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Refer to: • ESG Priorities, Stakeholder Engagement, p.7
3-2	List of material topics	Refer to: • ESG Priorities, Materiality Analysis, p.7
3-3	Management of material topics	The 2021 ESG Report and the GRI Content Index aims to cover the management approach of all material topics.
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed (EVG&D)	Refer to: • Form 10-K, p.114-120 • Form 10-Q, p.5-13
201-2	Financial implications and other risks and opportunities due to climate change	Refer to: • Climate Commitment, p.16-17 • TCFD Report 2021

Disclosure	Description	Response & Location
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Through StepStone Infrastructure & Real Assets (SIRA), we managed \$64B+ AUM/AUA as of December 31, 2021. Our investments support infrastructure projects that create direct and indirect positive impact 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 & Real Assets
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> 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. Anticorruption training is delivered to all employees globally, as part of the Firm's annual Compliance training. All 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 communicated to our clients. Refer to: <ul style="list-style-type: none"> 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 & 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 (b) We have no direct fuel consumption from renewable sources (c) Total electricity consumption: 2,800 GJ (d) We have no electricity, heating, cooling, or steam sold (e) Total energy consumption is 2,800 GJ (f) We calculated the Scope 1 and 2 GHG emissions inventory 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. We provided the electricity cost for 10 out of 15 locations. The electricity usage was calculated based on environmentally extended input-output (EEIO) factors and country-specific electricity grid emissions factors. The electricity usage of 5 locations without electricity data was estimated based on the average electricity usage per floor area of the other 10 StepStone locations. (g) Conversion factors used: ecoinvent Association 2021. Greenhouse Accounts (NGA) factors 2020. Australian IELab EEIO factors. Pathzero multi-region input-output (MRIO) emissions factors. Pathzero US EEIO factors.
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 of it, or both	(a) 3.62 GJ of energy used per full-time employee (b) Number of full-time employees (c) Electricity is included in the intensity ratio (d) The ratio includes only energy consumed within the organization.

Disclosure	Description	Response & Location
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Climate Commitment, p.16 StepStone has no Scope 1 emissions as a part of its operations.
305-2	Energy indirect (Scope 2) GHG emissions: (a) Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent (b) Gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 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	Climate Commitment, p.16 (a) 485 tCO ₂ e (b) N/A (c) CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, and SF ₆ gasses are included in the calculation (d) The base year is the calendar year 2021 (e) Pathzero, the carbon footprint consulting partner, uses AR5 in line with the GHG protocol (f) Pathzero uses an operational control approach for emissions (g) The Scope 2 and 3 greenhouse gas (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. StepStone provided the electricity cost for 10 out of 15 locations. The electricity usage was calculated based on environmentally-extended input-output (EEIO) factors and country-specific electricity grid emissions factors. The electricity usage of 5 locations without electricity data was estimated based on the average electricity usage per floor area of the other 10 StepStone locations.

GRI Content Index | SASB Content Index

Disclosure	Description	Response & Location
305-3	Other indirect (Scope 3) GHG emissions: (a) Gross other indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent (b) The gases included in the calculation (c) Biogenic CO2 emissions in metric tons of CO2 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	Climate Commitment, p.16 (a) 6,353 tCO ₂ e (b) CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, and SF ₆ gasses are included in the calculation (c) N/A (d) The Scope 3 GHG emissions categories included are: (i) Purchased goods & services (ii) Fuel-and-energy-related activities (iii) Waste generated (iv) Business travel (v) Employee commuting (vi) Leased assets (e) StepStone's base year is 2021 (f) Pathzero uses AR5 in line with the GHG protocol. (g) StepStone calculated the Scope 3 greenhouse gas (GHG) emissions inventory 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 emissions 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) 8.85 tCO ₂ e 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 ₂ O, HFCs, PFCs, and SF ₆ gasses are included in the calculation

Disclosure	Description	Response & 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: 146 • Females: 54, Males: 92 • Racially or ethnically diverse: 50 (b) Total Turnover: Average employment: 603, Termed: 73, Average Turnover: 12% • Females: Average employment: 215, Termed: 25, Average Turnover: 12% • Males: Average employment: 388, Termed: 47, Average Turnover: 12% • Racially or ethnically diverse: Average employment: 184, Termed: 26, Average Turnover: 14% • Ages 30 years & below: Average employment: 182, Termed: 30, Average Turnover: 17% • Ages between 30-50 years: Average employment: 349, Termed: 35, Average Turnover: 10% • Ages 50+ years: Average employment: 72, Termed: 7, Average Turnover: 10% Figures cited are as of December 31, 2021 and do not include legacy Greenspring Associates employees.
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, long and short-term disability, AD&D and critical illness and parental leave. • Benefits vary across different countries • Parental leave is offered across all countries Refer to: • Form 10-K, Total Rewards, p.30
401-3	Parental leave	The 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: Female: 13, Male: 11 • Returned from leave: Female: 13, Male: 11
GRI 404: Training and Education 2016		
404-2	Programs for upgrading employee skills and transition assistance programs	Refer to: • Human Capital Development, p.14 Transition assistance programs are provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment (i.e. severance/pre-retirement/job placement programs).
404-3	Percentage of employees receiving regular performance and career development reviews	• 100% of employees.

Disclosure	Description	Response & Location
GRI 405: Diversity and Equal Opportunity 2016		
405-1	<p>Diversity of governance bodies and employees:</p> <p>(a) Percentage of individuals within the organization's governance bodies in gender, age group, and racial or ethnic diversity</p> <p>(b) Percentage of employees per employee category in gender, age group, and racial or ethnic diversity</p>	<p>Human Capital Development, p.11-12</p> <p>(a) Total Members in StepStone Group Inc.'s Board of Directors: 9</p> <ul style="list-style-type: none"> • Females: 2, Males: 7 • White: 7, Hispanic: 1, Native American: 1 • Ages between 30-50 years: 2 • Ages over 50 years: 7 <p>Total of Members in Governance Bodies Across Asset Classes: 91</p> <ul style="list-style-type: none"> • Females: 18, Males: 73 • White: 75, Asian: 11, Hispanic: 2, Two or More Ethnicities: 1, Native American: 2 • Ages between 30-50 years: 58 • Ages over 50 years: 33 • *Members of Governance Bodies include members of the Board of Directors, C-suite, Executive Committees, Investment Committees, and the entire Partner group of StepStone. <p>(b) Check p.12 and Disclosure 2-7 for StepStone's employee data</p> <p>Refer to:</p> <ul style="list-style-type: none"> • Proxy 2021 Annual Meeting of Stockholders of StepStone Group Inc, Board Qualifications & Diversity, p.5-6
GRI 418: Customer Privacy 2016		
418-1	<p>Substantiated complaints concerning breaches of customer privacy and losses of customer data</p>	<p>There were zero substantiated breaches during the reporting period. StepStone adheres to our Data Privacy Policy.</p>

SASB Content Index

The below SASB disclosures were identified from the Asset Management & Custody Activities Standards and they align with the GRI disclosures we report on.

Disclosure	Description	Response & Location
Transparent Information & 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 customers.
FN-AC-270a.3	Description of approach to informing	We engage our clients through various communication channels including meetings, email updates, the Annual General Meeting, periodic reporting, white papers, podcasts, and our SPI system and Omni database. In addition, each client has a dedicated account manager that works with them closely to keep them informed on all relevant products and services.
Employee Diversity & 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.	Refer to: • Human Capital Development, Diversity & Inclusion, p.11-12

Disclosure	Description	Response & Location
Incorporation of Environmental, Social, and Governance Factors in Investment Management & 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.	<ul style="list-style-type: none"> • 100% of AUM (\$127B) integrate ESG considerations in the due diligence process. We are currently expanding our ESG due diligence process for assets managed by the former Greenspring Associates, which was acquired in September 2021. • \$12B+ AUM/AUA are categorized as “impact and thematic 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.	Refer to: • Responsible Investment, p.26-30
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures.	Refer to: • Proxy 2021 Annual Meeting of Stockholders of StepStone Group Inc.
Business Ethics		
FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive 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.

Disclosure	Description	Response & Location
FN-AC-510a.2	Description of whistleblower policies and procedures.	Refer to: <ul style="list-style-type: none"> Code of Conduct and Ethics, Conflicts of Interest, p.2-4., Whistleblowers p.5, and Administration and Enforcement p. 6 GRI Index, Disclosure 2-16
Activity Metrics		
FN-AC-000.A	(1) Total registered and (2) total unregistered assets under management (AUM).	<ul style="list-style-type: none"> \$548B in private capital allocations \$127B assets under management
FN-AC-000.B	Total assets under custody and supervision.	See Disclosure FN-AC-000.A above

All dollars are USD. Data includes Greenspring Associates metrics. \$548B indicates total assets which includes \$127B in assets under management as of December 31, 2021. Reflects final data for the prior period (September 30, 2021), adjusted for net new client account activity through December 31, 2021. Does not include post-period investment valuation or cash activity.

Important Information

We have prepared this report for our stakeholders, including our employees, clients, customers, suppliers, shareholders and the communities where we operate, and the inclusion of information in or incorporated into this report, including references to materiality for ESG purposes in this report, should not be construed as a characterization of the materiality for purposes of the Securities and Exchange Commission rules or financial impact of such information with respect to our company.

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On September 20, 2021, StepStone Group Inc. acquired Greenspring Associates, Inc. ("Greenspring"). Upon the completion of this acquisition, the management agreement of each Greenspring vehicle was assigned to StepStone Group LP.

The presentation is being made based on the understanding that each recipient has sufficient knowledge and experience to evaluate the merits and risks of investing in private market products. All expressions of opinion are intended solely as general market commentary and do not constitute investment advice or a guarantee of returns. All expressions of opinion are as of the date of this document, are subject to change without notice and may differ from views held by other businesses of StepStone.

All valuations are based on current values calculated in accordance with StepStone's Valuation Policies and may include both realized and unrealized investments. Due to the inherent uncertainty of valuation, the stated value may differ significantly from the value that would have been used had a ready market existed for all of the portfolio investments, and the difference could be material. The long-term value of these investments may be lesser or greater than the valuations provided.

StepStone Group LP, its affiliates and employees are not in the business of providing tax, legal or accounting advice. Any tax-related statements contained in these materials are provided for illustration purposes only and cannot be relied upon for the purpose of avoiding tax penalties. Any taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Prospective investors should inform themselves and take appropriate advice as to any applicable legal requirements and any applicable taxation and exchange control regulations in the countries of their citizenship, residence or domicile which might be relevant to the subscription, purchase, holding, exchange, redemption or disposal of any investments. Each prospective investor is urged to discuss any prospective investment with its legal, tax and regulatory advisors in order to make an independent determination of the suitability and consequences of such an investment.

An investment involves a number of risks and there are conflicts of interest.

Each of StepStone Group LP, StepStone Group Real Assets LP, StepStone Group Real Estate LP and StepStone Conversus LLC is an investment adviser registered with the Securities and Exchange Commission ("SEC"). StepStone Group Europe LLP is authorized and regulated by the Financial Conduct Authority, firm reference number 551580. StepStone Group Europe Alternative Investments Limited ("SGEAIL") is an SEC Registered Investment Advisor and an Alternative Investment Fund Manager authorized by the Central Bank of Ireland and Swiss Capital Alternative Investments AG ("SCAI") is an SEC Exempt Reporting Adviser and is licensed in Switzerland as an Asset Manager for Collective Investment Schemes by the Swiss Financial Markets Authority FINMA. Such registrations do not imply a certain level of skill or training and no inference to the contrary should be made.

In relation to Switzerland only, this document may qualify as "advertising" in terms of Art. 68 of the Swiss Financial Services Act (FinSA). To the extent that financial instruments mentioned herein are offered to investors by SCAI, the prospectus/offering document and key information document (if applicable) of such financial instrument(s) can be obtained free of charge from SCAI or from the GP or investment manager of the relevant collective investment scheme(s). Further information about SCAI is available in the SCAI Information Booklet which is available from SCAI free of charge.

All data is as of December 2021 unless otherwise noted.

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.
ACTUAL PERFORMANCE MAY VARY.**



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