



ESG Policy

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Table of Contents

Purpose3

Scope3

Goals and Objectives3

Roles and Responsibilities4

Approach4

Stewardship5

Modern Slavery and Human Trafficking5

Anti-Bribery and Anti-Corruption5

Climate Change.....5

Sustainability & Exclusions6

Appendix I7

Appendix II.....8

Purpose

The purpose of this policy is to define Dawson Partners' ("Dawson" or the "Firm") approach to integrating the consideration of environmental, social, and governance ("ESG") risks and value creation opportunities into investments made by Dawson funds (the "Funds"). The Firm fundamentally believes in ethical and responsible behaviour and investing. We seek to execute this belief across the Firm's culture, general business practices and investment considerations.

The Firm commits to consider material ESG issues in the course of its due diligence of portfolio investments to the extent reasonably practical under the circumstances, subject to the provisions of the governing documents and the duty to seek to maximize the returns on investment for the limited partners of the Funds. For the purposes of this policy, "material" ESG issues are defined as those issues that the Firm in its sole discretion determines have or the potential to have a direct substantial impact on an organization's ability to create, preserve, or erode economic value, as well as environmental and social value for itself and its stakeholders.

The Firm has based this ESG Policy on the ten principles of the United Nations Global Compact. These principles are listed on Appendix I hereto and can also be accessed online [here](#). The Firm is also a signatory to the United Nations-supported Principles of Responsible Investment ("UN PRI") and commits to the six Principles for Responsible Investment. The signatory commitment has been included in Appendix II hereto and can also be accessed online [here](#).

Scope

Dawson seeks to provide limited partners and general partners with tailored portfolio financing and liquidity solutions. This investment strategy is passive in that the Firm cannot directly influence the management of underlying portfolio companies, including with respect to ESG and responsible investment factors. However, the Firm seeks to make investments in underlying portfolio companies that are actively managed by sophisticated general partners ("GPs") that, in most cases, have very robust ESG policies and procedures. Notwithstanding the Firm's inability to directly influence ESG factors at the underlying portfolio company level, the Firm will make reasonable efforts to assess ESG-related risks when conducting due diligence on prospective investments.

Goals and Objectives

The Firm strives to align its operations and investment decisions with broader societal objectives, including consideration of the following ESG issues:

- Environmental: Precaution for depletion of natural resources, threat of climate change, disruption of fragile ecosystems and loss of endangered species.
- Social: Discrimination, and sexual harassment; protection of human rights and diversity; consumer protection and promotion of business fairness.
- Governance: Evaluation of corporate behaviors and values, various stakeholder interests, and employee relations.

Roles and Responsibilities

To promote ESG culturally at Dawson and to establish accountability for such promotion, the Firm has created an ESG Committee. The Committee is chaired by the Managing Partner and is structured with the aim that various areas of the business are represented and can contribute to the Firm's ESG processes and initiatives. Each member of the ESG Committee is passionate about ESG and works to instill these principles in Dawson's activities and culture.

The ESG Committee focuses on Firm-level ESG processes and initiatives, including, but not limited to:

- Setting the Firm's overall ESG strategy
- Advising on the incorporation of ESG into the investment process
- Preparing the annual limited partner ESG report
- Advising on UN PRI consultation matters
- Maintaining the "Sensitive" and "Excluded" sector lists
- Setting the Firm's overall Diversity, Equity & Inclusion ("DEI") strategy
- Advising on ESG events or issues, as needed

While the ESG Committee is responsible for driving the Firm's ESG processes and initiatives, responsible behaviour is a core tenet of Dawson's values and a common commitment shared by all employees.

Approach

Specifically, our ESG Policy includes the following commitments and initiatives:

1. During the diligence stage of our investment process, the Firm will evaluate and contemplate ESG factors, as appropriate.
2. When possible, the Firm will encourage the GPs who manage the underlying funds or direct companies (i.e., co-investments) in which we invest to also consider relevant environmental, social and governance issues.
3. The Firm is committed to compliance with applicable labor laws in the jurisdictions in which we operate.
4. The Firm respects the human rights of those affected by the operation of our business, including our investment activities.
5. The Firm seeks to structure its investments with governance structures that provide appropriate levels of oversight in the areas of audit, risk management and potential conflicts of interest.
6. The Firm maintains policies that prohibit bribery and other improper payments to public officials consistent with applicable laws in jurisdictions in which we operate and invest.

7. The Firm strives to be a responsible employer by creating a culture in which we develop a diverse pool of high caliber employees and by committing to talent management and development to give everyone at the Firm an opportunity to perform to the best of their ability.
8. The Firm's employees will work together to consider and promote ESG matters.

Stewardship

As applicable, Dawson pursues opportunities to align with organizations in pursuit of common goals. Our approach to stewardship applies across Dawson's operations and investment strategies.

Dawson does not control the underlying portfolio companies within the Funds and therefore has limited ability to directly influence the management of underlying portfolio companies on ESG-related issues. However, we believe that ongoing communication with our underlying GPs can help us to achieve common goals, including but not limited to, encouraging greater integration of ESG best practices and continuing to elevate the conversation around ESG issues across private equity globally.

Provided there are no conflicts of interest specifically related to responsible investment, Dawson supports collaborative stewardship (including political engagement) efforts through its membership in industry organizations. Dawson has been a signatory to the UN PRI since 2022 and aligns its ESG approach with the Six Principles of Responsible Investment. Dawson has also participated in industry efforts to advance DEI as a founding signatory to ILPA's Diversity in Action Initiative.

Modern Slavery and Human Trafficking

Dawson fully recognizes the importance of ensuring that the Firm has consistently strong safeguards in place to prevent modern slavery and human trafficking in any form. Issues relating to modern slavery and human trafficking present ethical, investment and reputational risks at all levels. As part of Dawson's ESG approach, the Firm subscribes to risk intelligence screening platforms that help organisations across the world meet their regulatory obligations, make informed decisions and avoid unwittingly associating with businesses that have material ESG issues, including slavery, child labor, and human trafficking.

Dawson advocates a zero-tolerance approach to modern slavery and human trafficking in any part of the Firm's business.

Anti-Bribery and Anti-Corruption

Dawson maintains a zero-tolerance policy to bribery and corruption and prohibits employees from making or offering to make corrupt payments of money or anything of value to government officials, political parties or political candidates that are designed to influence sales, obtain favourable business arrangements or other improper advantages.

Climate Change

Dawson recognizes the challenges of climate change and that it is an investment risk, with potentially material financial impacts. While Dawson cannot directly influence the management of underlying portfolio companies, the Firm seeks to make investments in underlying portfolio companies that are actively managed by sophisticated GPs that, in most cases, have very robust ESG policies and procedures that cover topics including climate change. Notwithstanding the Firm's inability to directly influence underlying portfolio companies, the Firm will make reasonable efforts to assess climate change-related risks when conducting due diligence on prospective investments.

Sustainability & Exclusions

Dawson seeks to avoid investments in underlying portfolio companies whose products, services or practices cause significant harm, and there is no path to transform the business into a positive contributor to society. As a result, Dawson has included sectors the Firm has determined to be unsustainable in its prohibited and sensitive sector lists.

Appendix I

The Ten Principles of the United Nations Global Compact

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labor

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labor;
- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Appendix II

UN Principles of Responsible Investment – Signatory Commitment

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

Therefore, where consistent with our fiduciary responsibilities, the Firm commits to the following:

1. To incorporate Environmental, Social and Corporate Governance (ESG) issues into investment analysis and decision-making processes;
2. To be an active owner and to incorporate ESG issues into our ownership policies and practices;
3. To seek appropriate disclosure on ESG issues by the entities in which we invest;
4. To promote acceptance and implementation of the Principles within the investment industry;
5. To work with the PRI Secretariat and other signatories to enhance their effectiveness in implementing the Principles; and
6. To report on our activities and progress towards implementing the Principles.