

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

Effective: December 2024

Insight believes that a proactive approach to ESG management is consistent with our fiduciary duty and our goal to achieve superior risk-adjusted returns for our investors. Moreover, Insight generally believes that innovative software and technology, which is the focus of our investment strategies, will play a critical role in advancing a more sustainable and prosperous future. To that end, Insight has adopted this ESG Policy to establish our commitment to responsible investment and to articulate our approach to integrating ESG considerations throughout the investment process.

### **A. Policy Scope**

This ESG Policy will apply to direct investments in new Portfolio Companies made on or after the Effective Date by the Private Equity Funds managed by Insight. Any investments made by a Fund prior to the Effective Date are governed by the policy(s) that were in force at the time of the investment, if any. For the avoidance of doubt, the procedures outlined in Sections D and E of this ESG Policy will not apply to other asset classes or investment types, including but not limited to Continuation Fund investments, follow-on investments, scout investments, investments in Public Securities (including investments made by IPPE Funds), and fund-of-funds investments (including, without limitation Vision Investments and JV FOF Investments), nor will these procedures apply to any individual investments of less than \$5M made by a Fund regardless of asset class. Insight's approach to ESG integration and reporting in these instances will be determined by the Chief Compliance Officer and/or the ESG Committee on a case-by-case basis. In the spirit of continuous improvement, Insight will generally seek to review this ESG Policy at least once annually and will make any changes or updates as we see fit.

Moreover, while Insight will endeavor to fully and consistently apply the procedures outlined in this ESG Policy for all in-scope investments, it may not be practicable or possible to do so in all cases, such as where a Fund is a minority investor, where a Fund has limited governance rights or Insight's personnel or advisors have limited access to Portfolio Company management, where a Fund is making an indirect investment, or where other circumstances inhibit Insight's ability to execute the procedures outlined in this ESG Policy. In such cases, Insight may modify or omit certain procedures outlined in this ESG Policy, as necessary under the circumstances.

### **B. Guiding Principles for Responsible Investment**

Insight looks to the American Investment Council ("AIC") Guidelines for Responsible Investing<sup>1</sup> as guiding principles for our approach to responsible investment. In addition, Insight will also consider the ten principles of the UN Global Compact<sup>2</sup> in connection with our investment activities. Furthermore, our Compliance Manual and our Code of Ethics, which all Insight employees acknowledge annually and are expected to adhere to, contain policies and procedures

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<sup>1</sup> <https://www.investmentcouncil.org/guidelines-for-responsible-investing/>

<sup>2</sup> <https://www.unglobalcompact.org/what-is-gc/mission/principles>

regarding ethical conduct, insider trading, bribery and corruption, money laundering and know-your-client issues.

### **C. Administration and Oversight**

Insight has formed an ESG Committee, made up of senior leaders from the Investment, Legal and Compliance, Operations, and Capital Partnerships teams, to oversee the implementation of this ESG Policy. The duties of the ESG Committee include steering the firm's ESG strategy and objectives, staying apprised of relevant ESG regulatory developments, reviewing and updating this ESG Policy from time to time, and reviewing any critical ESG issues and incidents that may arise in the course of the firm's investment activities. The ESG Committee will generally meet annually and may also convene on an ad hoc basis, as necessary. The Chief Compliance Officer serves as the chair of the ESG Committee and is the individual with primary responsibility for administering, updating, and enforcing this ESG Policy. These efforts are assisted, from time to time, by the ESG Lead and/or other members of the Legal and Compliance team. Insight's investment professionals, together with the relevant Investment Committee(s) and the Chief Compliance Officer, are responsible for ensuring that this ESG Policy is executed internally and throughout the private equity investment process. The Chief Compliance Officer will provide periodic guidance and training on this ESG Policy to Insight investment professionals and other Insight personnel involved in carrying out Insight's ESG Policy.

All key internal stakeholders of this ESG Policy, including the Chief Compliance Officer, the ESG Committee and Insight investment professionals, will have the resources and authority necessary or appropriate for the purposes of discharging their responsibilities under this ESG policy, including the authority to consult with experts or consultants as deemed to be necessary or appropriate to fulfill such responsibilities.

### **D. ESG Integration**

Through this ESG Policy, and in accordance with our guiding principles, Insight is committed to evaluating and addressing material ESG factors throughout the private equity investment process.

- **Sourcing:** In the sourcing of new investment opportunities, investment professionals are responsible for adhering to the spirit of the AIC Guidelines and the UN Global Compact principles. Furthermore, our investment professionals, with support from the Chief Compliance Officer and ESG Committee, will be trained to identify critical ESG or reputational issues with respect to new prospects, including LP-imposed exclusions for specific high-risk sectors and/or geographies. Notably, Insight's software-focused investment mandate, as defined in the constitutive documents for the relevant Funds, generally precludes our Funds from investing in companies that operate in controversial sectors.
- **Due Diligence:** Insight will use commercially reasonable efforts to conduct dedicated ESG due diligence in advance of closing on an investment in a Portfolio Company. The ESG due diligence review is intended to identify the material ESG risks that are highly relevant for the prospective Portfolio Company operations (see Appendix 1) and

to evaluate the prospective Portfolio Company's current capacity to mitigate such ESG risks. Furthermore, where appropriate, the ESG due diligence review may prescribe one or more actionable recommendations to mitigate risk and enhance the prospective Portfolio Company's ESG programs. In many cases, Insight may engage outside counsel and/or specialized ESG advisors to assist in conducting such ESG due diligence reviews. Any critical ESG-related findings identified during our due diligence of a prospective Portfolio Company will be reviewed by the investment team and will generally be included in the final investment memorandum presented to Investment Committees, where appropriate and practical under the circumstances.

- **Stewardship:** Insight will use commercially reasonable efforts to monitor material ESG issues at our Portfolio Companies throughout the hold period, in a manner it deems to be reasonable for each investment. Furthermore, where feasible and appropriate, Insight will endeavor to support our Portfolio Companies with respect to ESG management by providing tailored ESG recommendations and access to resources, best practices, and internal (e.g., Insight Onsite) and external subject matter experts. As many of the firm's investments are in growth-stage companies, Insight is generally well positioned to recommend new policies, procedures and governance controls to be implemented at an appropriate growth stage, and our recommendations may be updated during the investment hold period as our Portfolio Companies scale up and their ESG risk exposure changes. Where appropriate, Insight may utilize the services of specialized ESG advisors to assist our ESG stewardship efforts. Furthermore, when serving on the boards of directors of certain Portfolio Companies, Insight professionals will generally seek to use their positions to monitor ESG performance and may, where appropriate, engage directly with management teams to implement new ESG initiatives.
- **Measurement:** Where feasible, Insight will seek to track several qualitative and quantitative ESG metrics at our Portfolio Companies by administering an ESG survey on an annual basis. The data from the annual survey is generally used to monitor ESG performance, develop benchmarks, and report to our investors, and the data may inform strategies for future engagement with our Portfolio Companies. In developing the list of ESG metrics for the ESG survey each year, Insight may refer to the ESG Data Convergence Initiative (EDCI) and/or other available industry frameworks.
- **Exit:** Insight does not systematically incorporate ESG considerations into preparations for exit. However, Insight may consider doing so in certain cases, in a manner to be determined by the Chief Compliance Officer and the investment team(s), if Insight believes that doing so will provide material value.

## **E. Reporting**

Insight will endeavor to be transparent with our investors regarding our compliance with this ESG Policy and our overall approach to ESG management. Pursuant to and in accordance with specific agreements with certain limited partners, Insight will provide written updates on ESG matters at the Fund level on an annual basis, including, for example, (i) progress on implementation and any material changes to this ESG policy; (ii) material ESG issues affecting a Fund's

investments during the year; (iii) any critical ESG incidents or litigation occurring during the year, which Insight has determined in our sole and reasonable discretion to be relevant to our investors; and (iv) any investment made during the year that Insight has determined in our sole and reasonable discretion to involve critical ESG-related risks. Furthermore, Insight personnel will be made available to our investors to discuss ESG-related matters, upon request.

#### **F. Firm-Level ESG Management**

Insight recognizes that certain ESG issues may be relevant to the Firm's own internal operations. Where feasible and appropriate, we will seek to assign accountability and to establish appropriate policies and procedures across relevant operational functions (*e.g.*, human capital, information technology, legal and compliance) to mitigate risk and create value for the Firm and our limited partners.

## APPENDIX 1: Material ESG Issues

In accordance with this ESG Policy, Insight will use commercially reasonable efforts to conduct dedicated ESG due diligence in advance of closing on an investment in a Portfolio Company. The ESG due diligence review is generally intended to identify the material ESG risks that are highly-relevant for each prospective Portfolio Company's operations. Insight seeks to make determinations about the materiality of ESG issues on a case-by-case basis for each Portfolio Company in which we invest. Such determinations about materiality are made in Insight's reasonable discretion, with consideration for the prospective Portfolio Company's sector, product/service, size, geography, and other relevant factors. Insight may seek guidance from external advisors in making determinations about the materiality of certain ESG issues. Historically, Insight has identified the following ESG risk areas, among others, as commonly-material issues for the software and technology companies in which we invest:

- **Data Privacy & Cybersecurity:** Companies frequently collect, store and manipulate large volumes of sensitive information from their customers, suppliers, end-users, employees, and other stakeholders. As such, management teams should seek to implement robust data privacy and security programs to ensure that sensitive data is used and secured appropriately to prevent a data breach incident that may result in monetary remediation costs, regulatory penalties and/or reputational damage.
- **Compliance & Business Ethics:** Software companies are subject to a wide-array of complex regulations and other compliance requirements, especially when they serve customers in highly-regulated industries, *e.g.*, healthcare, financial services or government. Moreover, companies can be exposed to risks associated with fraud, conflicts of interest, bribery, predatory sales practices or other ethics violations, which can result in lost sales, financial penalties and severe reputational damage. Therefore, it is advisable for software companies to establish effective compliance programs and clear standards of conduct in order to mitigate risk.
- **Human Capital:** Software companies rely on highly-skilled employees to develop, improve, maintain, and market their complex technology products. Moreover, these companies are challenged by a highly-competitive labor market and shortages of qualified workers with the requisite skills (*e.g.*, software development) to enable them to scale up. As such, management teams should seek to implement best-in-class human capital management programs that enable them to attract and retain top-performing employees and to avoid the significant monetary costs and productivity drags that can result from high staff turnover rates.
- **Diversity & Inclusion:** Failure to promote inclusion or to prevent workplace discrimination or harassment incidents can have significant negative impacts for fast-growing software companies, *e.g.*, increased turnover, legal exposure or monetary costs. These issues are particularly salient because the software sector has historically over-indexed for non-minority (*i.e.*, male, white) founders, executives and employees. Therefore, management teams should make intentional efforts to prevent workplace discrimination and harassment incidents, embrace diversity, establish an inclusive workplace culture, and mitigate bias in hiring and promotion decisions.

- **Climate Change:** While software is a relatively low-emitting sector, companies operating in this industry may still be exposed to material climate change-related risks:
  - *Physical Risks:* the mounting physical effects of climate change (extreme weather, sea level rise, etc.) may lead to major regional disruptions that adversely impact software companies’ office locations, data centers and/or value chains. Management teams should take steps to identify and prepare for likely scenarios, and to develop robust business continuity protocols to promote resilience and minimize product down time in the event of an emergency.
  - *Transition Risks:* software companies may face business risks stemming from emerging climate regulations and the global transition to a low-carbon economy. For example, some technology solutions (e.g., GenAI) are highly energy-intensive to operate and companies may be required to measure and report carbon footprint data and/or to set emissions reduction targets for their operations. In addition, software companies that derive considerable revenue from customers in high-emitting sectors should seek to diversify as policies and stakeholder preferences shift in favor of “green” alternatives.
- **Product Stewardship:** Depending on the functionality and characteristics of their product offerings, software companies may face legal and reputational risks stemming from the end-use of their products by customers or from any real or perceived negative externalities of their products. Some relevant considerations include, for example:
  - *Dual-use Technology:* certain software and technology solutions, while primarily intended for benign civilian applications, may be mis-used or abused by bad actors for malicious or unethical purposes, e.g., censorship of speech, mass surveillance, or controversial military applications. While rare, in cases where dual-use risks are identified, management teams should seek to implement thorough customer screening, acceptable use provisions, monitoring and other risk-mitigating controls.
  - *Responsible AI:* potential exists for negative externalities to arise if artificial intelligence (“AI”) solutions are not developed and deployed in a responsible manner, e.g., model flaws and/or biases leading to inaccurate predictions, heightened privacy and security risks, labor market impacts or human rights concerns. When developing and deploying AI solutions, management teams should take steps to establish a culture of responsibility at their company, forecast potential risks and implement mitigation strategies, and frequently audit and test their AI solutions. When considering Responsible AI issues, Insight may refer to the Responsible Innovation Labs RAI framework<sup>3</sup> and/or other industry best practices.

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<sup>3</sup> <https://www.rilabs.org/responsible-ai>

## APPENDIX 2: Definitions of Capitalized Terms

### **A. Advisers Act**

The term “Advisers Act” means the Investment Advisers Act of 1940, as amended from time to time and the rules and regulations thereunder.

### **B. Chief Compliance Officer**

The term “Chief Compliance Officer” means the Employee designated by Insight as the chief compliance officer of Insight pursuant to Rule 206(4)-7(c) under the Advisers Act. As of the date of this ESG Policy, the Chief Compliance Officer is Andrew Prodromos.

### **C. Code of Ethics**

The term “Code of Ethics” or “Code” means the policies and procedures adopted by Insight pursuant to Rule 204A-1(a) under the Advisers Act.

### **D. Continuation Fund**

The term “Continuation Fund” means the Funds formed for the purpose of acquiring interests in certain existing portfolio investments of other Funds.

### **E. Designated Third Party**

The term “Designated Third Party” means a Person who has been designated by the Chief Compliance Officer as being subject to the Code of Ethics based on the relationship such Person has with Insight or its affiliates, the nature of the services such Person provides to Insight or its affiliates, or the information such Person receives from Insight or its affiliates.

### **F. Employee**

The term “Employee” means all partners, members, owners, principals, directors, officers and employees of Insight.

### **G. Fund**

The term “Fund” means a Private Fund that is an investment advisory client of Insight.

**H. Insight**

The term “Insight” means Insight Venture Management, LLC, and any successor entity.

**I. Insight Onsite**

The term “Insight Onsite” means those Supervised Persons who have been identified by Insight as being members of Insight’s in-house business consultancy that provides services to Portfolio Companies intended to improve their profitability and assist in their growth.

**J. Investment Company Act**

The term “Investment Company Act” means the Investment Company Act of 1940, as amended from time to time and the rules and regulations thereunder.

**K. IPPE Fund**

The term “IPPE Fund” means a Private Investment Company and/or a Non-U.S. Private Investment Company that has a primary investment objective of investing in publicly traded securities employing a variety of investment strategies and practices.

**L. JV FOF Investment**

The term “JV FOF Investment” means investments into investment funds that primarily target investments in start-up, early-stage and emerging companies (pre-seed and seed rounds) in the software and technology sectors.

**M. Non-U.S. Private Investment Company**

The term “Non-U.S. Private Investment Company” means a Person who is not a U.S. Person and, if organized and operated under U.S. law, would be excepted from the definition of investment company pursuant to Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

**N. Person**

The term “Person” means any individual or entity, including a corporation, partnership, association, limited liability company, limited liability partnership, joint stock company, trust, unincorporated association, sole proprietorship, government, or governmental agency or authority.

**O. Portfolio Company**

The term “Portfolio Company” means a Person in which a Fund has invested at the direction of Insight, either directly or through one or more intermediate



entities.

**P. Private Equity Fund**

The term “Private Equity Fund” means a Private Investment Company and/or a Non-U.S. Private Investment Company that has a primary investment objective of investing in private companies, taking public companies private and/or making investments in other private investment funds.

**Q. Private Fund**

The term “Private Fund” means a Private Investment Company and/or a Non-U.S. Private Investment Company, as applicable.

**R. Private Investment Company**

The term “Private Investment Company” means a Person who is a U.S. Person that is excepted from the definition of investment company pursuant to Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

**S. Public Security**

The term “Public Security” means a Security that is registered under the Securities Act.

**T. Security**

The term “Security” has the same meaning as “Security” as set forth in Section 202(a)(18) of the Advisers Act, including all forms of stocks, notes, bonds, debentures and other evidence of indebtedness, investment contracts. The term security also includes any derivative that is based upon or linked to any “Security” as that term is defined in Section 202(a)(18) of the Advisers Act (e.g., options, warrants, stock index futures, credit default swaps and equity swaps).

**U. Supervised Person**

The term “Supervised Person” means an Employee or a Designated Third Party.

**V. Vision Investment**

The term “Vision Investment” means investments into private funds managed and/or sponsored by emerging managers and/or managers that are generally from diverse/minority background that generally target early-stage and/or growth investments in the software, software-enabled services, internet or other technology businesses