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Responsible Investment Policy

Introduction

NexPhase Capital, LP (“NexPhase” or “we”) recognizes that many of its investors seek assurance that consistent with the objective of maximizing risk-adjusted returns, their capital will be invested responsibly and with sensitivity to material environmental and social risks and opportunities. They also wish to invest in businesses that are operated with due attention to these concerns and are governed in a way that helps achieve this result. As such, NexPhase is committed to the spirit of responsible investment and upholding business ethics standards to better serve its investors and various stakeholders. NexPhase recognizes that effective management of responsible investment issues, consistent with and subject to its fiduciary and other duties, as well as applicable legal, regulatory, or contractual requirements, can create better risk-adjusted returns across its investment portfolio.

As an investor focused on the healthcare, consumer goods, and software & services sectors, NexPhase considers relevant and material responsible investment issues that are particular to the unique operations of each of its partner companies, such as business ethics, data privacy and security, inclusion and equal employment opportunity, amongst others.

NexPhase’s consideration of responsible investment risks is informed by key principles of the United Nations Principles for Responsible Investment, including to incorporate material issues into investment analysis and decision-making processes, be active owners and integrate responsible investment issues into ownership policies and practices, and to seek appropriate disclosure on these issues by the entities in which we invest.¹ This policy codifies our approach to incorporating consideration of material responsible investment factors into the investment lifecycle at NexPhase. That said, we recognize that industry guidelines and standards for responsible investment will evolve over time and will seek to update this policy as needed to reflect upgrades made to our program.

For the avoidance of doubt, NexPhase does not expect to subordinate any fund’s or investor’s investment returns or increase any fund’s or investor’s investment risks as a result of (or in connection with) the consideration of any responsible investment risks or opportunities.

Scope and Limitations

This Responsible Investment Policy is intended to reflect NexPhase’s general framework for managing responsible investment risks and operationalizing value creation measures throughout the lifecycle of an investment. NexPhase’s ability to influence and exercise control over the portfolio companies in which its funds invest will vary depending on the investment structure and terms. In cases where NexPhase determines it has limited ability to conduct diligence or to influence and control the consideration of responsible investment risks in connection with an investment, whether at the investment or at the fund-level, NexPhase will only apply those elements of this Responsible Investment Policy that it determines to be practicable. Examples of such cases at the investment-level include where a fund is a minority shareholder, has limited governance rights, or where other circumstances affect the fund’s ability to assess or monitor responsible investment risks. Examples

¹ There is no guarantee that NexPhase will remain a signatory, supporter, or member of or continue to report at the intended cadence or at all under or in alignment with specific responsible investment initiatives or other similar industry frameworks

of such cases at the fund-level include a jointly managed fund or where a fund is a lender with no indicia of influence or control.

Responsibility & Oversight

NexPhase seeks to enhance responsible investment management capacity and awareness amongst its investment professionals. As part of that effort, NexPhase will make its Responsible Investment Policy available to all investment professionals and will conduct periodic training on responsible investment issues, including how to effectively manage them throughout the investment process and hold period. From time to time, NexPhase may engage additional external expertise to assist in such training.

NexPhase's Responsible Investment program is managed by our Responsible Investment Managers, who are overseen by NexPhase's Sustainability Committee. The Sustainability Committee is comprised of NexPhase representatives across our firm, as well as the Firm's Responsible Investment Managers. Together, these parties evaluate the adequacy and effectiveness of our Responsible Investment program. This oversight includes approval and implementation of upgrades to the Responsible Investment Policy, including communication, implementation, and training programs.

Pre-Investment Due Diligence

Subject to NexPhase's reasonable determination based on the attendant facts and circumstances at the time, for each prospective investment advised on by NexPhase, NexPhase will seek to evaluate established and emerging responsible investment risks, where material and relevant, through pre-investment due diligence on all platform companies. In practice, NexPhase will seek to achieve this by:

- Conducting a responsible investment assessment to determine operational areas where there is the greatest likelihood, vulnerability, and potential for significant risks or opportunities on a company-by-company basis. Focus topics of the assessment may include, but are not limited to, the following:
 - Anti-Bribery & Corruption
 - Climate Change
 - Data Privacy & Security
 - Inclusion & Equal Employment Opportunities
 - Environmental Management
 - Ethics & Compliance
 - Product & Food Safety
 - Product Stewardship
 - Social & Labor Conditions
 - Supply Chain Compliance
 - Sustainable Branding
 - Worker Health & Safety
- Engaging external advisors, as necessary, to provide expertise in the assessment of acquisition targets' exposure to material responsible investment risks and identify relevant responsible investment opportunities
- Incorporating material responsible investment findings into Investment Committee materials and decisions on the allocation of investment capital

Active Ownership

As a result of our thematic and operationally focused investment strategy, we believe we are uniquely positioned to work with entrepreneurs and management teams to mitigate material responsible investment risks and capitalize on opportunities. This process begins during due diligence when we seek to identify specific, actionable responsible investment improvement areas where appropriate, which we seek to incorporate into the post-close strategic plan. After acquisition, this includes encouraging and supporting portfolio companies to:

- Ensure that material responsible investment risks identified in diligence are remediated in a timeframe commensurate to their potential financial, reputational, and social impact by implementing a formal monitoring program
- Connect portfolio companies to internal and third-party resources to promote continuous improvement on responsible investment issues (e.g., business ethics, inclusion and belonging, etc.)
- Implement governance structures that provide appropriate levels of oversight in the areas of audit, risk management, and potential conflicts of interest
- Ensure the inclusion of relevant responsible investment program updates or significant events in regular company communications (e.g., board meetings, annual reports)

At any point during the investment cycle, NexPhase may engage Operating and/or Strategic Advisors with relevant experience to assist with support for responsible investment issues for our portfolio companies.

Reporting and Investor Transparency

NexPhase seeks to create accountability within our organization and to be transparent with our limited partners / investors with regard to our responsible investment management approach. To that end, we will seek to provide updates on our Responsible Investment program through periodic reporting and other communication internally and to limited partners, and seek to notify investors of material, negative responsible investment incidents at a portfolio company that NexPhase becomes aware of and considers material to investors, as deemed appropriate. NexPhase intends to include a Responsible Investment Annual Report as part of our communications to our Limited Partners.

This Responsible Investment Policy was last updated in June 2025 and is subject to change as NexPhase considers necessary or advisable.