

Vista's Commitment to Responsible Investing

Effective Date: September 30, 2021

Vista believes that the transformative power of technology is the key to an even better future — a smarter economy, a healthier planet, diverse and inclusive communities, and a broader path to prosperity. Environmental, Social and Governance (ESG) practices and policies guide us in our effort to be responsible stewards of our fund clients (“Funds”) and Fund investors who have entrusted us with their investment capital.

We recognize our responsibility to encourage positive societal and environmental benefits through our investment and operating decisions. Our ESG policy guides our stewardship role and reflects our commitment to creating value for our stakeholders. Vista is a signatory to a number of international ESG commitments, which help define, operationalize and prioritize our engagement efforts.

The Principles for Responsible Investment (PRI) is a UN-supported network of investors promoting responsible investment practices through the incorporation of ESG factors into investment decisions and active ownership. The PRI defines stewardship as: “the use of influence by institutional investors to maximize overall long-term value including the value of common economic, social and environmental assets, on which returns and clients’ and beneficiaries’ interests depend.”¹ *Vista became a signatory in June 2020.*

The Net Zero Asset Managers initiative is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius; and to supporting investing aligned with net zero emissions by 2050 or sooner.² *Vista became a signatory in June 2021.*³

Scope and Limitations

This policy intends to reflect a general framework for our approach to ESG across Vista’s internal operations and investment strategies, including our private equity and permanent capital, credit, and public equity strategies; however, in certain cases, this document draws distinctions between our ESG approach within various investment strategies.

Given our focus on enterprise software, we have identified certain material⁴ ESG risks and opportunities that we believe to be important investment considerations. Our approach to incorporating these considerations is dependent on our influence over the management of each investment which may vary depending on the investment structure and terms, and our engagement will be tailored accordingly.

In cases where Vista determines it has limited ability to conduct due diligence or to influence and control the consideration of ESG issues in connection with an investment, whether at the investment or at the Fund-level, Vista will only apply those elements of this ESG policy that it determines to be practicable. Examples of such cases at the investment level include where Vista is a minority shareholder, has limited governance rights or where other circumstances affect Vista’s ability to assess, set or monitor ESG-related performance goals. Examples of such cases at the Fund level include a jointly managed fund, a separate account where the underlying investor maintains significant influence over investment decisions, where Vista is a lender with no indicia of influence or control, or where Vista holds a small, passive public equity interest.

Roles and Responsibilities

Vista understands the importance of ESG in driving long-term success, and we strive for broad understanding and accountability of our ESG principles and actions across our organization.

- Our Executive Committee is responsible for promoting Vista's ESG policy and for ensuring that it is implemented at the firm and across each of our investment strategies.
- Our investment committees oversee the integration of ESG principles into our investment processes and are accountable for ensuring responsible investment practices across our Funds and professionals.
- Our dedicated ESG team works cross-functionally with our investment teams, external partners and portfolio companies to drive our responsible investment principles into action and to ensure alignment with our ESG policy.
- Investment professionals and our ESG team, along with our external partners, are responsible for identifying ESG risks and opportunities during investment diligence. Furthermore, our investment teams are responsible for incorporating those findings into our investment decision-making process.
- Our Value Creation team works with our private equity portfolio companies' management teams in implementing a value creation plan that considers the ESG risks and opportunities in diligence and during the ownership period.
- Our Legal and Compliance teams provide oversight over the ESG-related investment formation, diligence, disclosure and exit processes and ensure that we meet our regulatory obligations and commitments to Fund investors and regulators.
- Board members at Vista-controlled portfolio companies are educated on ESG topics to encourage the discussion and appropriate prioritization of ESG topics at quarterly board meetings.
- Our Capital and Partner Solutions team engages with our Fund investors on our ESG practices and works with our ESG team to meet our reporting obligations to our Fund investors.

Our Responsible Business Practices

Vista is committed to implementing leading ESG practices that are specific to our focus on software investing. In addition to investing, our firm-level ESG strategy includes:

INTERNAL OPERATIONS

- Vista has a Code of Ethics that requires employees to conduct their business dealings with honesty, integrity, fairness and respect for others. We understand our fiduciary duty to our clients and seek to mitigate conflicts of interest and encourage transparency in our business practices.
- Vista is committed to offsetting the greenhouse gas (GHG) footprint of its internal operations and to maintaining such carbon neutrality in the future.

PEOPLE

- Vista has a robust Diversity, Equity and Inclusion program and policy⁵ to strengthen our workplace practices, as well as attract and retain talent.
- Vista fosters community engagement by encouraging employees to support the community through both charitable and volunteer support focused on various causes, including job training and opportunity, improving access to quality education, supporting the arts and protecting our health and the environment.

TECHNOLOGY

- Vista believes in the transformative power of technology and software to advance ESG outcomes and intends to leverage software solutions for internal ESG measurement, management and reporting.
- Vista is committed to protecting the privacy and confidentiality of our stakeholders' personal and corporate information in our operations and in those of Vista portfolio companies.



Our Approach to Incorporating ESG in Our Investment Process

Vista seeks to integrate ESG considerations during the investment life cycle with engagement approaches designed to match Vista's influence over the investment.

During pre-investment due diligence, Vista leverages an ESG framework to analyze material ESG risks and opportunities in potential investments. For Vista Equity Partners (VEP), VCG subject matter experts conduct an in-depth review of the company's technology, cybersecurity and data privacy practices before every platform investment and add-on acquisition. Additionally, we engage law firms and consultants to assess the material ESG factors in a company's industry, approach to ESG, and potential risks and opportunities. Material findings are communicated to the investment committee and management teams and are included as part of the company's value creation plan.

We seek to monitor ESG issues and engage with the board of directors and management teams when appropriate throughout our ownership period. We are committed to transparent and regular communications on ESG with our Fund investors.

ESG Focus Areas

To integrate ESG considerations Vista's investment processes, Vista has created a bespoke framework that encompasses specific focus areas important to enterprise software companies.

This framework draws upon global ESG standards and serves to highlight significant risks and opportunities throughout the investment lifecycle.⁶ These focus areas are routinely reviewed to ensure that they reflect current events and macro trends. Areas include (but are not limited to):

ENVIRONMENT

- Emissions management
- Energy management and conservation
- Climate-risk strategy
- Green standards in real estate

- Waste management
- Product innovation to support positive environmental outcomes

SOCIAL

- Diversity, equity and inclusion
- Philanthropy and community engagement
- Employee engagement
- Stakeholder health, well-being and safety
- Responsible supply chain management
- Product innovation to support positive social outcomes

GOVERNANCE

- Reporting and transparency
- Data privacy
- Cybersecurity
- Ethics and compliance
- Anti-bribery and corruption
- Technology bias review
- Product innovation to support positive governance outcomes

Private Equity and Permanent Capital Control Investments

We seek to systematically engage with our majority-owned⁷ portfolio companies to encourage ESG integration within the business. Our engagement tactics, in collaboration with investment teams, value creation team, company management and board members, may include the following:

- Identification of material ESG risks and opportunities in investment diligence.
- Annual ESG Assessment to determine current ESG practices and program maturity.
- Greenhouse gas measurement, reporting, reduction, goal setting and offsetting.
- Individual meetings with company management to build an ESG value creation plan.
- Resources to achieve ESG milestones and positive business practices.

- Convening of portfolio company leaders in a “Sustainability Leadership Council” to share best practices and encourage peer discussion.
- Hands-on support for ESG value projects where appropriate, such as to support a company on the creation of an ESG policy or an impact measurement framework.
- Monitoring of ESG progress and implementation during IPO, exit and/or recapitalization process.
- Discussion of ESG initiatives during board meetings.

Private Credit and Minority-Owned Investments

For substantial private credit⁸ and minority-owned investments, we have assigned primary points of contact for ESG within the investment teams who notify outside counsel and/or ESG consultants to evaluate and/or report material ESG risks and opportunities during investment due diligence through the form of a bespoke management questionnaire.

These findings are shared with the ESG team and with investment professionals and may be considered within the investment decision-making process. In select situations, the findings may also be shared with company management and Vista may undertake a concerted dialogue to encourage action.

An ESG committee, consisting of team members within the compliance, investment and ESG functions, will seek to meet quarterly with oversight from Vista Credit Partners (VCP) leadership, with the intent to oversee the management and application of ESG within our private credit investments.

Public Equity Investments

In evaluating investments in public companies, our investment team includes ESG disclosure scores reflecting the level of ESG-related disclosure by an individual issuer as part of the overall investment review process. This information is shared with the ESG team and is reported to investment professionals. In select situations, where practicable, we may partner with management to either improve the level of disclosure and/or performance of the ESG metrics.

An ESG committee, consisting of team members within the compliance, investment and ESG functions, with oversight from Vista Public Strategies (VPS) leadership, will seek to meet quarterly, with the intent to oversee the management and application of ESG within our public equity investments.

Transparency and Reporting

Through our commitment to the PRI, Vista plans to report on its ESG approach and performance each year. Beginning in 2023, this disclosure will be publicly available on the PRI website. Vista’s ESG Report highlights our progress to date and how we plan to advance ESG throughout the firm.

Vista utilizes a software platform to track private equity portfolio company ESG engagement. The ESG team seeks to report our progress and other data gathered from this platform to leadership and relevant stakeholders where feasible and appropriate.

This policy is subject to change and is intended to be reviewed annually by the Executive Committee. Further, this policy shall supersede and replace any prior Vista ESG policy and shall cover on a going forward basis, subject to the limitations discussed herein, Vista’s existing and future investments.

1. PRI website, <https://www.unpri.org/investment-tools/stewardship>; 2. <https://www.netzeroassetmanagers.org/>; 3. In our private equity and permanent capital platforms; 4. For the purposes of this ESG Policy, “material” ESG issues are defined as those issues that Vista determines have - or have the potential to have - a material impact on an organization’s going-forward ability to create, preserve or erode economic value, as well as environmental and social value, for that organization and its stakeholders; 5. Vista Equity Partners Diversity Policy; 6. Global ESG standards and frameworks considered include the Global Reporting Initiative (GRI) standards governed by the Global Sustainability Standards Board, the Sustainable Accounting Standards Board (SASB) standards, the Taskforce on Climate-Related Financial Disclosures (TCFD) framework, the United Nations Global Compact and the UN-supported PRI; 7. And when deemed appropriate by Vista’s ESG Team, minority-owned investments; 8. “Private credit” refers to transactions pursued by Vista’s Credit Platform that are privately negotiated and structured, and where VCP is the lead lender and/or administrative agent. Not included within this category of investments are broadly syndicated loans or other tradeable investments. The determination of whether an investment is “substantial” shall be made in the sole discretion of Vista’s ESG Team.

This document is intended to provide general information regarding Vista’s ESG strategy and not for the purpose of soliciting investors for any Vista Fund. Under no circumstances should the information provided be considered an offer to sell, or a solicitation to buy, any security. Such offer or solicitation may only be made to accredited investors and qualified purchasers pursuant to the current offering documents of the relevant Vista Fund. The information provided is strictly confidential and may not be reproduced or disseminated to any third parties without the written consent of Vista. Certain of the transactions listed above were signed and agreed to expected to close subject to customary closing conditions and regulatory approvals (such as a shareholder vote). The past performance of previous Vista Funds and portfolio companies is not necessarily indicative of future results. ©2021 Vista

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