

# Vista's Commitment to Responsible Investment

Effective Date: December 2023

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

Our Responsible Investment Policy underpins our investment risk management and opportunity focus and reflects our commitment to creating value for our stakeholders. Consistent with our goal of maximizing returns for our investors, Vista is a signatory to voluntary, industry-led initiatives, which help define and operationalize our ESG 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. 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.” *Vista became a signatory in June 2020.*

The Net Zero Asset Managers initiative is an international group of asset managers that support 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 support investing aligned with net zero emissions by 2050 or sooner.<sup>2</sup> *Vista became a signatory in June 2021.*<sup>3</sup>

## Scope and Limitations

This policy intends to reflect a general framework guiding our approach to identifying and managing material<sup>4</sup> ESG risks and capturing ESG opportunities across Vista’s internal operations and investment strategies, including our private equity and permanent capital, credit, and public equity strategies; in certain cases, this document draws distinctions between our responsible investment approach within various investment strategies.

Given our focus on enterprise software, we have identified certain material 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 fund, investment structure and terms, and our engagement will be tailored accordingly.

For the avoidance of doubt, fund-specific application of this Responsible Investment Policy will be set out in our fund governing documents and in applicable regulatory disclosures (governing documentation).

In the event of conflict between this Responsible Investment Policy and fund documentation, the governing documentation should take precedence.

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 portfolio company-level or at the Fund-level, Vista will only apply those elements of this Responsible Investment Policy that it determines to be practicable. Examples of such cases at the portfolio company 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 important role responsible investment plays in driving long-term value and success. As such, we strive for broad understanding and accountability in applying these principles across our organization.

- Our Executive Committee is responsible for promoting Vista's Responsible Investment Policy and for ensuring that it is implemented at the firm and across each of our investment strategies (commensurate with Vista's level of influence and control).
- Our investment committees oversee the integration of these principles into our investment processes and are accountable for ensuring responsible investment practices across our private equity and permanent capital Funds and with our professionals.
- Our dedicated ESG team works cross-functionally with our investment teams, our value creation team, external partners and portfolio companies across our private equity and permanent capital portfolio in an effort to drive our principles into action and to ensure alignment with our Responsible Investment Policy.
- Investment professionals and our ESG team, along with our external partners, are responsible for conducting pre-investment due diligence across our private equity and permanent capital portfolio, which may include an assessment of material ESG risks and opportunities. Furthermore, our investment teams are responsible for seeking to incorporate those findings into our investment decision-making process, when the considerations are material to achieving our investment thesis.
- Our Value Creation Team works with our private equity and permanent capital portfolio companies' management teams in implementing a value creation plan that may consider material ESG risks and opportunities identified in diligence and continue to monitor such ESG risks during the ownership period.
- Our Legal & Compliance team provides oversight over the ESG-related investment formation, diligence, disclosure and exit processes and seeks to ensure that we meet our regulatory obligations and commitments to Fund investors and regulators.
- Board members at Vista-controlled private equity and permanent capital portfolio companies are familiarized with 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 responsible investment practices that are specific to our focus on software investing. In addition to investing, our firm-level responsible investment 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.

### PEOPLE

- Vista has a Diversity, Equity and Inclusion program and policy<sup>5</sup> that seeks to foster an inclusive corporate culture, as well as attract and retain talent.
- Vista fosters community engagement by encouraging employees to support the community through both charitable and volunteer support.

### TECHNOLOGY

- Vista believes in the transformative power of technology and software to advance ESG aligned outcomes and seeks 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's portfolio companies.

## Our Approach to Incorporating ESG in Our Investment Process

Vista seeks to integrate material 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 platform private equity and permanent capital investments. For Vista Equity Partners (VEP), Value Creation Team subject matter experts conduct an in-depth review of the company's technology, cybersecurity and data privacy practices before every majority-owned platform investment. Additionally, we may engage law firms and consultants to identify and assess material ESG risks and opportunities relevant to the target. Significant findings are generally communicated to the investment committee and management teams and, where applicable, are included as part of the company's 100 days' list.

We seek to monitor material ESG risks and opportunities and, when appropriate, engage with the board of directors and management teams throughout our ownership period. We will strive to make material ESG updates available to our Fund investors, in accordance with our contractual and regulatory reporting obligations.

## ESG Focus Areas

To integrate ESG considerations into Vista's private equity and permanent capital investment processes, Vista has created a bespoke framework that encompasses specific focus ESG areas that are important to enterprise software companies.

This framework draws upon global ESG standards and serves to highlight material ESG risks and opportunities throughout the investment lifecycle.<sup>6</sup> Vista aims to review these focus areas in light of current events and macro trends.

Areas include (but are not limited to):

## ENVIRONMENT

- Emissions management
- Energy management and conservation
- Climate-risk management
- Product innovation to support positive environmental outcomes

## SOCIAL

- Diversity, equity and inclusion
- Philanthropy and community engagement
- Employee engagement and safety
- Customer 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

- 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 work plan.
- Providing appropriate resources to support the achievement of ESG milestones and furtherance of strong 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 creation projects where appropriate and requested by the company, such as to support a company on the creation of an ESG or responsible investment policy or a greenhouse gas measurement framework.
- Monitoring of ESG progress and, to the extent deemed appropriate by Vista, support for companies wishing to communicate such progression during their IPO, exit and/or recapitalization processes.
- Resources to facilitate the discussion of ESG initiatives during board meetings.

## Private Equity and Permanent Capital Control Investments

We seek to systematically engage with our majority-owned<sup>7</sup> portfolio companies to encourage ESG integration within the business. Our engagement tactics, in collaboration with investment teams, the Value Creation Team, company management and board members, may include the following:

- Identification of material ESG risks and opportunities in investment diligence for platform acquisitions and, when deemed appropriate by Vista, substantial add-on acquisitions.

## Private Credit

For substantial private credit<sup>8</sup> investments, Vista’s ESG team collaborates with assigned primary points of contact for ESG within Vista’s Credit Platform to apply a software tool that combines AI and advanced machine learning with human intelligence to identify material ESG risks on companies. Vista also works with outside counsel to administer a bespoke ESG diligence questionnaire.

These findings are shared with the ESG team and with investment professionals and may be considered within the investment decision-making process.

An ESG committee, consisting of team members across the compliance, investment, ESG,

fundraising, DE&I and external boards functions, will seek to meet quarterly with oversight from Vista Credit Partners (VCP) leadership, with the intent to oversee the management and application of responsible investing principles within our private credit investments.

## Public Equity Investments

In monitoring investments in public companies, our investment team includes ESG risk scores reflecting the level of ESG-related disclosure and risk management 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 in an effort to either improve the level of disclosure and/or performance of the ESG metrics.

An ESG committee, consisting of team members across the compliance, investment, External board program, DE&I 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 responsible investment within our public equity investments.

Vista maintains a proxy voting policy, under which Vista may consider, among other factors, the impact of certain environmental or social factors on overall investment performance, when voting a proxy. As a fiduciary, it is Vista's policy to vote proxies in the best interests of its clients.

## Transparency and Reporting

Through our commitment to the PRI, Vista plans to report on its responsible investment approach and performance each year. Beginning in 2023, this disclosure will be publicly available on the PRI website.

Vista utilizes a software platform to track private equity and permanent capital 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 periodically by Vista's senior leadership. Further, this policy shall supersede and replace any prior Responsible Investment 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 Responsible Investment 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 of that organization and its stakeholders; 5. Vista Equity Partners Diversity, Equity & Inclusion 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, and the UN-supported PRI; 7. And when deemed appropriate by Vista's ESG Team, minority-owned investments; 8. "Substantial private credit" currently refers to transactions pursued by the FounderDirect strategy of Vista's Credit Platform. More information on Vista's FounderDirect strategy can be found here: <https://www.vistaequitypartners.com/strategies/credit/founderdirect/>. Not included within this category of investments are other forms of private debt, broadly syndicated loans, and other tradeable investments. The determination of whether an investment is "substantial" shall be made in the sole discretion of Vista and is subject to change. Any ESG or impact goals, commitments, incentives, and initiatives outlined in this Responsible Investment Policy are purely voluntary, are not binding on investment decisions and/or Vista's management of investments and do not constitute a guarantee, promise or commitment regarding any actual or potential positive impacts or outcomes associated with investments made by funds managed by Vista unless otherwise specified in the relevant fund documentation or regulatory disclosures made pursuant to Regulation (EU) 2019/2088 (SFDR). Any such goals, commitments, incentives, or initiatives referenced in any information, reporting or disclosures published by Vista are not being promoted and do not bind any investment decisions made in respect of, or stewardship of, any funds managed by Vista for the purposes of Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector unless otherwise specified in the relevant fund documentation or regulatory disclosures made pursuant to the SFDR.

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. ©2023 Vista

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