



# Clearlake Capital Group, L.P.

## ESG Policy

*Effective February 2026*

### Introduction

This Environmental, Social & Governance ("ESG") Policy (this "Policy") sets forth basic principles regarding the approach of Clearlake Capital Group, L.P. ("Clearlake" or the "Firm") and its affiliated investment advisers to integrating environmental, social, and/or governance considerations into the Firm's operations and investment management activities across strategies.<sup>1</sup>

Clearlake believes there is a strong link between ESG management and the long-term sustainability of the Firm and its investments. While delivering favorable returns for its investors remains the Firm's top priority, the Firm is convinced that responsible investing and achieving positive financial outcomes are complementary goals. With a view that business operations are closely connected with ESG considerations, Clearlake's objective as an asset manager is to leverage strategic advantages by factoring in ESG elements. This approach aims to unlock value while promoting legal and regulatory compliance and mitigating business and investment risks.

Clearlake has integrated ESG-related considerations into its investment process since it formally adopted a written ESG Policy in 2015.<sup>2</sup> Clearlake is a signatory of the United Nations' Principles for Responsible Investment ("UN PRI"), committing to transparency through annual reporting and adherence to their guidelines. The Firm's ESG Policy provides an outline of how it seeks to incorporate ESG into its decision-making processes and portfolio company engagement activities. This unified Policy, establishes firm-wide principles while recognizing strategy-specific implementation approaches.

### Scope

This Policy serves to outline Clearlake's approach to embedding material environmental, social, and governance factors across its investment strategies. Clearlake focuses primarily on investment opportunities in industries and sectors in which Clearlake believes the Firm has substantial investment and operating expertise, including technology, industrials, and consumer, which are, by their nature, broad and encompass a wide range of activities and markets. As the potential materiality of ESG factors varies across asset classes, time horizons, geographies, industries, and companies, the Firm takes a tailored approach to integrating sustainability considerations that seek to mitigate risk and optimize long-term value creation.

Clearlake's ability to implement this Policy may vary based on its level of control and influence over an investment. In non-control situations Clearlake may have limited capacity to conduct ESG due diligence or influence ESG considerations at either the portfolio company or fund level. In these cases, Clearlake will generally apply only those elements of the Policy that are practicable given applicable constraints. Despite these limitations, Clearlake intends to explore methods of addressing material ESG issues across its platform where doing so may positively impact risk-adjusted returns.

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<sup>1</sup> The provisions of this Policy do not extend to Pathway Capital Management, an entity in the process of being acquired by Clearlake, which as of the date of this policy, maintains its separate ESG practices as set forth in Pathway's ESG Policy.

<sup>2</sup> Certain affiliated advisors acquired by Clearlake Capital Group, including Clearlake Capital Asset Management, LLC (fka Whitestar Asset Management) and Clearlake Capital Asset Management, LLC (fka MV Credit), maintained ESG policies and/or practices of varying formality and scope prior to their respective acquisitions. Clearlake continues to explore methods to further align ESG practices across platforms while maintaining appropriate distinctions for each business segment.

## Oversight

Clearlake's Investment Committee is the Firm's highest decision-making body. The Investment Committee sets the overarching direction for identifying, assessing and managing ESG risks and opportunities while enhancing the work of the investment team with its experience in leading companies at the director level. The Firm's ESG efforts are managed by its Chief Operating Officer and General Counsel ("COO/GC"), with support from dedicated ESG professionals and other members of Clearlake's *O.P.S.*<sup>®</sup> (Operations, People, Strategy) and legal teams, as needed (together, the "Clearlake ESG Team"). Clearlake's investment professionals receive training to identify and understand material ESG factors in the context of investment analysis. Additionally, investment professionals and operating professionals may, from time to time, attend outside trainings, conferences, or seminars to learn more about emerging ESG issues and trends.

Clearlake believes that ESG risk management requires conscious effort led by boards and management, with implementation extending throughout the company. Clearlake encourages its portfolio companies to consistently report to their boards on ESG milestones and Key Performance Indicators (KPIs) pertinent to their business, and to focus on material climate-related financial risks and opportunities in collaboration with the Clearlake ESG Team.

In addition to these dedicated internal resources, when specialized expertise is required to evaluate specific sustainability matters, the ESG Team may leverage appropriate external advisors with dedicated expertise in particular sustainability competencies, such as greenhouse gas accounting, climate risk assessments, ESG due diligence, and other specialized areas.

## Incorporation in the Investment Lifecycle

Clearlake aims to incorporate ESG considerations into each phase of the investment lifecycle, from due diligence, to monitoring, to exit. This approach focuses on ESG issues identified as material, ensuring the Firm's efforts concentrate on the most impactful areas throughout the investment process.

Clearlake's integration of ESG considerations is intended to align with specific investment strategies and the nature of its involvement in each investment. For Clearlake's credit strategies, ESG analysis may focus primarily on identifying and assessing potential risks that could affect credit performance, whereas Clearlake's private equity platform may evaluate both ESG-related risks and opportunities for value creation. The Firm's ability to influence ESG considerations may be constrained in certain circumstances by the degree of control or influence it possesses.

To the extent determined to be material to a specific investment, the ESG factors that may be incorporated into due diligence, monitoring, and engagement practices include, without limitation, the following:

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|-----------------------------|-------------------------|-----------------------------|
| • Anti-Bribery & Corruption | • Employee Matters      | • Social & Labor Conditions |
| • Biodiversity              | • Ethics & Compliance   | • Supply Chain Compliance   |
| • Business Ethics           | • Human Rights          | • Sustainable Branding      |
| • Climate Change            | • Product & Food Safety | • Waste Management          |
| • Cybersecurity             | • Responsible AI        | • Whistleblower Schemes     |
| • Data Protection & Privacy | • Resource Efficiency   | • Worker Health & Safety    |

## Diligence

When considering potential investments, Clearlake seeks to identify material risks, including ESG issues, during the early phases of opportunity consideration. This continues through the due diligence review process in advance of the investment decision.

For control acquisitions, Clearlake typically engages a third-party ESG advisory firm (an "ESG Advisor") to conduct ESG-related diligence. The ESG Advisor generates an ESG Due Diligence Report for the applicable target company which summarizes key findings, risks, and opportunities for improvement in relation to the target company's material ESG practices. In generating the ESG Due Diligence Report, the ESG Advisor typically reviews publicly available information, analyzes documents provided by management and Clearlake, and interviews key personnel. From time to time, the investment and ESG teams may also engage other third parties to assist in the evaluation of ESG diligence. Material ESG factors identified by the investment and ESG teams in consultation with applicable advisors may be incorporated in the Investment Memorandum provided to the Investment Committee or otherwise may be discussed with the Investment Committee in advance of the ultimate decision to pursue or forgo investment opportunities.

ESG factors may not be specifically evaluated in connection with non-control investment opportunities such as minority equity or debt participation, and, depending on factors such as transaction timeline, ESG specific due diligence may be conducted post-close for portfolio company investments.

## Monitoring

Post-investment, Clearlake endeavors to monitor the performance of its controlled investments on a regular basis to report to investors. Clearlake conducts annual ESG data collection for its controlled portfolio. Metrics are selected by identifying those that appear most frequently across global standards from leading ESG frameworks, such as the ESG Data Convergence Initiative ("EDCI"), Global Reporting Initiative ("GRI"), and Sustainable Finance Disclosure Regulation ("SFDR"). These metrics include greenhouse gas emissions, worker safety indicators, and cybersecurity controls, among others. Clearlake believes the collection of these data points serves to inform the management of material ESG risks and opportunities.

Additionally, Clearlake may partner with third-party ESG advisors to conduct annual assessments of portfolio companies' material ESG risks and opportunities. This exercise is intended to promote accountability and continued progress for controlled portfolio companies on relevant ESG factors.

## Engagement

Clearlake seeks to engage with its controlled portfolio companies (and non-control portfolio companies when possible) to set appropriate goals, strategies, policies, processes, and/or performance metrics with respect to ESG-related risks and opportunities.

Investment teams aim to integrate ESG factors at the Firm's portfolio companies and collaborate with management teams to achieve ESG objectives. For controlled investments, the Firm monitors ESG initiatives quarterly and annually, with investment professionals encouraged to discuss relevant ESG factors during portfolio board meetings. Clearlake expects portfolio companies to maintain compliance with applicable ESG-related laws and regulations and to report on their compliance programs. Investment teams assess this compliance through management discussions, audit reports, third-party external reports, and industry-specific procedures.

Clearlake understands its portfolio companies are at different stages of their ESG programs. Clearlake's general goal is to leverage its experience to bring tools and resources that enable portfolio companies to better

understand ESG risks and opportunities. The ESG Team endeavors to connect management with internal resources and outside vendors where appropriate to enable the management of material ESG factors.

In addition to the above, Clearlake may engage with portfolio companies through other various methods, including the sharing of best practices, training sessions, and targeted initiatives. The nature and frequency of engagement is determined based on the investment strategy, the Firm's level of ownership or influence, and the specific circumstances of each portfolio company or asset.

## Transparency and Reporting

Clearlake seeks to regularly engage with its limited partners, investors, and industry participants on ESG matters through ongoing dialogue and formal reporting mechanisms. The Firm's annual ESG Report provides updates on its sustainability program across equity and credit strategies, including key initiatives, and progress on strategic ESG priorities. This report is publicly available at [clearlake.com](https://clearlake.com).

As a UN PRI Signatory, Clearlake tracks and benchmarks its ESG efforts against industry standards and peer organizations on an annual basis, enabling continuous improvement and adoption of best practices across the investment community. Additionally, Clearlake is an EDCI signatory committed to standardized sustainability data across private markets, alongside over 350 general partners. EDCI aligned reporting allows Clearlake to focus on the most relevant ESG metrics across industries, allowing for more consistent monitoring and greater identification of risk mitigation and value creation opportunities.

The insights from these reporting frameworks continue to inform the evolution of Clearlake's ESG program and guide how the Firm supports portfolio companies in managing material ESG matters.

## Conclusion

Clearlake regards ESG integration as an iterative process subject to ongoing refinement. Accordingly, this Policy constitutes a framework designed to incorporate evolving best practices and adapt to the changing requirements of the Firm's investor base.

The Policy shall be reviewed to reflect the evolving materiality of ESG factors and developments in Clearlake's integration methodology.