

## **SLAVERY AND HUMAN-TRAFFICKING STATEMENT**

FINANCIAL YEAR ENDED 31 DECEMBER 2020

### **INTRODUCTION**

HarbourVest's response to modern slavery is rooted in the Firm's values and its dedication to running its business with integrity and according to the highest ethical standards. Our Firm is committed to combatting modern slavery and human trafficking to the extent they may impact our business. This statement describes our approach towards ensuring that slavery and human trafficking are not taking place in our business or supply chain, and the specific steps HarbourVest Partners (U.K.) Limited ("HV UK") has taken to uphold its obligations under the U.K. Modern Slavery Act ("MSA").

### **OVERVIEW OF THE GLOBAL HARBOURVEST ORGANIZATION**

#### **HarbourVest Group Overview<sup>1</sup>**

HarbourVest is an independent, global private markets investment specialist with over 35 years of experience and more than \$76 billion in assets under management, as of March 31, 2021. The Firm's powerful global platform offers clients investment opportunities in private equity, private credit and real assets through commingled funds or separately managed accounts. HarbourVest has more than 700 employees, including more than 150 investment professionals across Asia, Europe, and the Americas. This global team has committed more than \$46 billion to newly formed funds, completed over \$29 billion in secondary purchases, and invested over \$21 billion directly in operating companies. Partnering with HarbourVest, clients have access to customized solutions, longstanding relationships, and actionable insights.

#### **HarbourVest Group Locations**

HarbourVest is headquartered in Boston and has offices around the world, including: HarbourVest Partners (U.K.) Limited in London (established in 1990), HarbourVest Partners (Asia) Limited in Hong Kong (1996), HarbourVest Partners (Japan) Limited in Tokyo (2010), HarbourVest Partners, LLC Oficina de Representación in Bogotá (2011), HarbourVest Investment Consulting (Beijing) Company Limited in Beijing (2012), HarbourVest Partners (Canada) Limited in Toronto (2015), HarbourVest Partners Korea Ltd in Seoul (2015), HarbourVest Partners (Israel) Ltd in Tel Aviv (2015), HarbourVest Partners (Ireland) Limited in Dublin (2019), and HarbourVest Partners (Singapore) Pte Ltd in Singapore (2021).

#### **HarbourVest Client Base**

HarbourVest's clients are principally institutional investors who are pension funds, endowments, foundations, and financial institutions in North America, Europe, Asia Pacific, Latin America, and the Middle East.

#### **HarbourVest's Supply Chain**

As a private markets investment specialist, HarbourVest's supply chain is relatively short and consists predominantly of the purchase of professional services and business supplies. We regard providers of professional advice generally as presenting particularly low risk. We believe, therefore, that there is a low overall risk of slavery or human trafficking in connection with our business and supply chain.

<sup>1</sup> Figures as of 31 March 2021.

HarbourVest does not regard its commingled funds or separately managed accounts, which invest into funds and operating companies, as part of HarbourVest's supply chain. HarbourVest's direct co-investments are primarily minority, non-control investments in operating companies alongside a lead sponsor who generally has voting control over the company. Despite not regarding these operating companies as part of its supply chain, HarbourVest is conscious of the reputational damage to the Firm and its funds or accounts if a slavery, human trafficking, child labor, or supply chain issue were to occur at an operating company in which the funds or accounts were invested. We describe below the due diligence processes and on-going monitoring of investments undertaken by HarbourVest.

## OUR POLICIES

### ESG Policy

From our founding, HarbourVest has sought to align our interests with those of our investors, investment partners, and employees. This alignment has allowed us to build and maintain a culture of ethical behavior, transparency, and social responsibility in both our investment process and our operations.

To formalize this commitment, HarbourVest has adopted a comprehensive Environmental Social Governance (ESG) approach. HarbourVest's ESG Policy can be viewed here:

[https://www.harbourvest.com/wp-content/uploads/HV\\_ESG-Policy.pdf](https://www.harbourvest.com/wp-content/uploads/HV_ESG-Policy.pdf)

From initial due diligence to post-investment monitoring, HarbourVest incorporates ESG considerations into investment decision-making processes and works with our investment partners to understand and engage on their ESG practices. Once an investment is made, we continue to monitor investments for ESG risks to ensure our clients' interests are protected.

HarbourVest is a proud signatory to the Principles for Responsible Investment (PRI) and recognizes that applying these Principles may better align investors with the broader objectives of society. HarbourVest strives to adhere to both the letter and spirit of the PRI: we consider the potential impacts that our investment and operational decisions could have, we encourage the private markets' fund managers that we invest with to adopt the PRI, and we have experience in helping clients achieve their ESG objectives through customized investment solutions.

### Other Key Policies and Actions

HarbourVest has adopted the following policies, procedures, and initiatives which reinforce the Firm's fundamental values, including:

- A Code of Ethics and Anti-Bribery and Anti-Corruption Policy, which describe the standards of behavior expected from HarbourVest employees;
- A Whistleblowing Policy for the reporting of suspicious and illegal activity;
- A Global Respectful Workplace Policy, which aims to ensure that all individuals with whom we interact on behalf of the Firm are free from discrimination, workplace violence, harassment, bullying, and other forms of inappropriate conduct;
- A Complaints Policy, which provides a framework for the effective consideration and proper handling of complaints from HarbourVest customers, potential customers, or former customers;
- An Equal Opportunities Policy, which sets out our approach to fostering an environment of diversity that promotes mutual respect and acceptance among all employees regardless of age, gender, race, ethnic origin, physical abilities, religious beliefs, or sexual orientation. Understanding and valuing these differences maximizes the potential of both the individual and the Firm;

<sup>2</sup> As a signatory to the PRI, HarbourVest has an annual obligation to complete the PRI Reporting Framework. HarbourVest's most recent PRI Transparency Report can be found on the PRI website.

- The formation of the HarbourVest Diversity & Inclusion (D&I) Council, which maintains our commitment to creating a diverse and inclusive environment in which employees can succeed;
- HarbourVest closed all global offices on Friday 19 June 2020, in recognition of “Juneteenth”. Juneteenth is the oldest nationally celebrated commemoration of the ending of slavery in the United States. The Firm will observe this holiday in all global offices annually as a reminder of its diversity and inclusion goals.

## **RISK MITIGATION THROUGH INVESTMENT DUE DILIGENCE PROCESS**

HarbourVest has instituted robust ESG due diligence procedures within each of our investment strategies. HarbourVest believes these procedures support sound investment decision-making, which is at the core of how we seek to create compelling, risk-adjusted returns for our investors. We strive to apply these procedures to every opportunity we source and review, subject in all cases to our fiduciary duties to our investors and applicable contractual obligations.

Our investment teams rely on two primary tools: (i) our internally developed ESG Scorecard which we use to assess private markets’ fund managers on their ESG policies and processes, including their efforts to monitor and support portfolio companies to adhere to sustainability or ethical business guidelines; and (ii) RepRisk®, an external database, to perform due diligence, monitor ESG and business conduct risks, and collect relevant data. ESG analysis is included in investment committee materials as standard, and is factored into the committee’s final approval of whether HarbourVest commits to any investment.

## **Exclusion Lists / Adherence to International Conventions**

HarbourVest incorporates an analysis of applicable legal and governance factors into its investment due diligence. Such factors may include, among others, a history of a company’s compliance with applicable laws or regulations, adherence to business integrity norms, and high ethical standards. HarbourVest will not invest into companies that it knows are engaged in child labor in contravention of applicable laws, human trafficking, and/or which are out of compliance with OFAC rules and regulations, or applicable sanctions.

Further, HarbourVest takes a cautious and case-by-case approach to investing in certain categories of investments, which may present heightened ESG risks. These include, but may not be limited to, portfolio companies that HarbourVest knows are primarily engaged in deforestation, manufacturing of firearms and/or weapons, and certain “vice” or “sin” industries such as gambling or tobacco.

## **Operational Due Diligence**

We recognize the Goals identified by the Liechtenstein Initiative’s Financial Sector Commission on Modern Slavery and Human Trafficking, Goal One being to strengthen compliance with laws against modern slavery and human trafficking. As part of our operational due diligence, we request and review the compliance policies of each private market fund manager that we invest with, which typically includes, but is not limited to:

- Code of Ethics;
- AML and counter-terrorist financing policy;
- Anti-bribery and anti-corruption policy;
- Global economic sanctions policy;
- Data protection/privacy policy;
- Diversity and Inclusion policy;
- Modern Slavery Act policy.

In addition, one of the current conditions to closing an investment is that the manager runs their investor base through an OFAC/Sanctions listing to ensure their client base is not included on one of these listings.

## Investment Monitoring

Investments are monitored through RepRisk (which includes human rights abuses and corporate complicity as a specific topic flag in their reporting system) and there is a bi-weekly review process in place to check for potentially material ESG incidents. We have protocols in place to discuss ESG incidents with the relevant manager or lead sponsor, where considered relevant and material, and to record the outcome of that engagement.

## RISK ASSESSMENT AND MITIGATION OF SUPPLY CHAIN RISK

In order to comply with the obligations of the MSA, HV UK has undertaken the following:

- **Review of Business and Supply Chain:** HV UK has reviewed its suppliers for 2020 and risk-ranked them for purposes of MSA analysis. The criteria used to make an assessment of suppliers includes, but is not limited to, the nature of services provided by the supplier, the jurisdiction in which the supplier operates, and the value of payments made by HV UK to those suppliers;
- **Due Diligence:** HV UK has conducted due diligence for each of its medium- and high-risk suppliers and engaged with them to address HV UK's supply chain risk.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes HV UK's slavery and human-trafficking statement for the financial year ending 31 December 2020. It has been approved by the Executive Management Committee of HarbourVest.

June 2021

A handwritten signature in black ink, appearing to read 'Peter G. Wilson', with a long horizontal flourish extending to the right.

Peter G. Wilson

On behalf of the Executive Management Committee of HarbourVest Partners, LLC and the Board of Directors of HarbourVest Partners (U.K.) Limited.