NEW YORK STATE COMMON RETIREMENT FUND RESPONSIBLE WORKFORCE MANAGEMENT POLICY AND PRINCIPLES

The New York State Common Retirement Fund ("CRF") believes that workforce management best practices prioritize the protection of health, safety, fair compensation, reasonable benefits and rights of companies' workers. Implementing workforce management best practices can create an engaged and stable workforce that in turn can provide a competitive advantage for companies and their investors.

The CRF believes that investment managers in its private equity asset class (PE Managers) should develop robust workforce management practices at companies where they have made an equity investment (Portfolio Companies) that prioritize workers' rights and protections, health and safety, fair compensation, skills development and training, and health and retirement benefits. A diverse, reasonably compensated, and well-trained workforce can deliver higher quality products and services. This in turn can improve returns to private equity funds and their investors, including the CRF.

This Responsible Workforce Management Policy (the "Policy") is intended to encourage the adoption and implementation of responsible workforce management policies and practices with the goal of enhancing the overall value of investments.

Applicable Investments

This Policy applies to private equity asset class investments, other than funds of funds, secondary funds, and funds that don't have a strategy of independently making equity investments.

Due Diligence Review and Engagement

Consistent with the Comptroller's fiduciary responsibilities to act in the best interest of the members, retirees and beneficiaries of the Retirement System and with the CRF's role as a prudent long-term investor seeking the best risk-adjusted returns, the following will be required:

A. The CRF shall provide all potential PE Managers with a copy of this Policy and any changes thereto.
B. The due diligence phase of all potential private equity investments will include review and consideration of the workforce management policies and practices of PE Managers.
C. The written investment recommendations of CRF staff with respect to all potential private equity investments will address, along with the evaluation of other relevant investment factors, the PE manager's workforce management policies and practices, focusing on the risks and standards relevant to the investment under consideration. That analysis will be considered with other investment factors in the investment decision making process.

D. The CRF will also provide this Policy to existing PE Managers of core investments in its private equity portfolio and will engage with them periodically on the Principles. The CRF will communicate any changes to this Policy to its PE Managers.

Responsible Workforce Management Principles

The CRF, through these Responsible Workforce Management Principles ("Principles"), subject at all times to the CRF's fiduciary duties of loyalty and prudence, supports responsible workforce management policies and best practices at the Portfolio Companies of General Partners in its private equity asset class portfolio ("PE GPs"). To this end, the CRF's PE Managers should, subject to the investment objectives of the relevant investment funds and the duties of the PE GPs to the relevant funds and their limited partners, encourage the management of their Portfolio Companies to:

1. Maximize the productivity and effectiveness of their workers by investing in training, safe workplaces, fair compensation, and reasonable health and retirement benefits.

2. Adopt policies and practices to protect their workers' international human rights as defined by the Core Conventions of the International Labor Organization (ILO), the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Universal Declaration of Human Rights, including, but not limited to, eradication of all forms of forced or obligatory labor, effective abolition of illegal child labor, freedom of association, including non-interference, the right to collective bargaining, and elimination of employment discrimination. If portfolio companies adhere to specific international human rights standards, in keeping with those standards, where national law and international human rights standards differ, portfolio companies should follow the higher standard. Where they are in conflict, portfolio companies should respect local law, while seeking to respect the principles of internationally recognized human rights.

3. Adopt a position of neutrality and commit to non-interference in the event there is an attempt by a labor organization to organize workers at a portfolio company. While expressing their views on unions, portfolio companies should not make any direct or indirect threats, create an atmosphere of intimidation or fear, or retaliate against employees exercising their right to freedom of association. Portfolio companies should commit to bargaining in good faith with their union-represented workforces to reach mutually beneficial collective bargaining agreements.

4. Comply with all national, state, and local laws, including, but not limited to, those pertaining to wages, health, occupational safety, labor relations, withholding taxes, and insurance.

5. Support the payment of industry standard wages for all portfolio company employees and contracted workers defined by federal and state prevailing wage regulations and local living wage ordinances.

6. Adopt policies that provide for reasonable work hours and reliable work schedules for portfolio company workers and discourage labor policies that result in impractical work schedules for workers.

7. Encourage retention by providing workers with reasonable and industry-customary benefits, such as retirement benefits, comprehensive health care, unemployment insurance, workers compensation benefits, and adequate sick leave.

8. Minimize adverse impacts on portfolio company workers and existing collective bargaining agreements resulting from mergers, acquisitions, restructurings, reorganizations or bankruptcies.

9. Make occupational safety and health a top priority and maintain and disclose relevant safety and health metrics.

10. Adopt policies that encourage workforce diversity, equity and inclusion; prohibit discrimination and harassment in the workplace; and disclose pay rates by job category, disaggregated by race, ethnicity and gender (such disclosures can be made using widely used standards like EEO-1).

11. Reject the use of non-disclosure and forced arbitration provisions in employment contracts.

12. Implement policies and practices that ensure portfolio companies' workers can safely report, without fear of retaliation, violations of these Principles to PE Managers and relevant regulatory agencies. To facilitate worker safety, PE Managers should encourage Portfolio Company management to:

    a. share these Principles with Portfolio Company workers; and
    b. establish an open line of communication with any labor union representing workers at a Portfolio Company.

Effective Dates

Item D of *Due Diligence Review and Engagement* shall take effect as of the date hereof. Effective 90 days from the date hereof, all written investment recommendations presented to the CRF's Internal Investment Committee must have complied with Items A – C of *Due Diligence Review and Engagement*.

April 18, 2024