

PRIVATE EQUITY LABOR POLICY COMPARISON

OVERVIEW

As more public pension funds and investors identify the need for labor standards within their private equity portfolio due to risks associated with these investments, this document provides some examples of existing frameworks to mitigate and address such risks.

INVESTOR POLICIES EXAMINED*

	 <p>SRPS MARYLAND STATE RETIREMENT and PENSION SYSTEM</p>			
<p>NY State Common Retirement Fund Responsible Workforce Management Policy and Principles (NYS CRF): Adopted April 18, 2024 for the private equity asset class</p> <p>NY State Common Retirement Fund Responsible Workforce Management Policy and Principles</p>	<p>Maryland SRPS Responsible Workforce Management Principles for Private Equity: Adopted June 17th, 2025</p> <p>SRPS Responsible Workforce Principles</p>	<p>Massachusetts Pension Reserves Investment Management (MassPRIM) Responsible Workforce Management Policy for private market investments: Adopted December 4, 2025</p> <p>Responsible Workforce Management Policy for private market investments</p>	<p>Illinois State Board of Investment Labor Principles for Private Equity: Adopted September 20, 2024</p> <p>ISBI Labor Principles for Private Equity</p>	<p>California Public Employee Retirement System (CalPERS): Adopted portfolio-wide labor principles in 2023</p> <p>Total Fund Investment Policy, Governance and Sustainability Principles - Human Capital Management (amended Nov 2023)</p>

*Table contains excerpts from each of the listed policies, please review full documents for additional details

GENERAL

NYS CRF	MSRPS	MassPRIM	ISBI	CALPERS
<p>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.</p> <p>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:</p>	<p>The Maryland State Retirement and Pension System (“the System”) believes that workforce management best practices provide for the protection of health, safety, fair compensation, reasonable benefits and rights of companies’ workers. Implementing workforce management best practices can help reduce workplace injuries and create an engaged and stable workforce that in turn can provide a competitive advantage for companies and their investors. These Principles are intended to help guide the Investment Division Staff’s (“Staff”) due diligence review, as well as its monitoring and oversight of private equity asset class investments with respect to responsible workforce management practices.</p>	<p>MassPRIM’s Stewardship Policy recognizes proactive engagement with investment managers on stewardship issues (as defined in the Stewardship Policy) is a part of its fiduciary duty to protect and enhance the long-term value creation of the PRIT Fund.</p> <p>Companies with effective and responsible approaches to manage their workforce perform better than those that manage their workforce poorly. Practices such as safe and humane working conditions, fair pay and workplace practices and respect for human rights and labor rights create an engaged and stable workforce that can create a long-term competitive advantage.</p> <p>The importance of these responsible workforce practices are recognized in MassPRIM’s Proxy Voting Guidelines. The Responsible Workforce Management Policy (the Policy) is intended to encourage the adoption of Responsible Workforce Principles within private companies, with the goal of enhancing the overall value of investments, subject to the investment objectives of the fund.</p>	<p>In accordance with the goal of creating and enhancing the value of its private equity investments, the Board supports the implementation of the following guiding labor principles. Such implementation is subject at all times to the Board’s fiduciary duties of loyalty and prudence. ISBI’s private equity managers should, subject to their own fiduciary duties as well as the investment objectives of their funds, encourage the implementation of the following principles within their portfolio companies.</p>	<p>As reflected in our Investment Beliefs, CalPERS considers that long-term value creation requires the effective management of three forms of capital – Financial, Physical, and Human.</p>

RIGHT TO ORGANIZE

Workers' right to organize and bargain collectively

Remaining neutral in workers' decision to bargain collectively

NYS CRF	MSRPS	MassPRIM	ISBI	CALPERS
<p>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 ... freedom of association, including non-interference, the right to collective bargaining ...</p> <p>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.</p>	<p>Adopt policies and practices to protect their workers' 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 the elimination of employment discrimination.</p> <p>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.</p>	<p>MassPRIM recognizes the right to collective bargaining and encourages the adoption of a position of neutrality in the event of attempts to organize by workers in a portfolio company.</p>	<p>Respect workers' right to freedom of association. Support policies of neutrality when workers seek to exercise their freedom to join a union and avoid any interference with legitimate organizing efforts. For companies with union-represented workforces, negotiate in good faith with the goal of reaching mutually beneficial collective bargaining agreements.</p> <p>Respect workers' right to freedom of association. Support policies of neutrality when workers seek to exercise their freedom to join a union and avoid any interference with legitimate organizing efforts. For companies with union-represented workforces, negotiate in good faith with the goal of reaching mutually beneficial collective bargaining agreements.</p>	<p>Freedom of association and the effective recognition of the right to collective bargaining</p> <p>Seek to support and improve the well-being of employees as part of human capital management strategy and in compliance with applicable laws</p>

COMPULSORY LABOR & CHILD LABOR

Avoiding employment of workers against their will through force, fraud or coercion and avoiding illegal employment of minors

NYS CRF	MSRPS	MassPRIM	ISBI	CALPERS
Based on ILO	Adopt policies and practices to protect their workers' 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 the 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 strive to follow the higher standard.	MassPRIM respects the human rights of those affected by their investment activities and does not support investment in companies that use forced or compulsory labor or child labor.	Adopt policies and practices to respect 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 with respect to elimination of all forms of forced or obligatory labor, the effective abolition of child labor, and the elimination of discrimination and harassment in employment.	The elimination of all forms of forced or compulsory labor Respect the human rights of those affected by their investment activities and seek to confirm that their investments do not flow to companies that utilize forced labor Respect the human rights of those affected by their investment activities and seek to confirm that their investments do not flow to companies that utilize child labor

DISCRIMINATION & HARASSMENT *Ensuring workers are not subject to an environment of discrimination or harassment*

NYS CRF	MSRPS	MSRPS	ISBI	CALPERS
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.	Adopt policies that encourage workforce inclusion, opportunity, and belonging; prohibit discrimination and harassment in the workplace.	MassPRIM encourages the adoption of systems that reduce discrimination in recruitment, retention and other workplace practices.	Prohibit discrimination and harassment in the workplace. Take reasonable steps to eliminate any discriminatory practices or policies at portfolio companies.	The elimination of discrimination in respect of employment and occupation Respect the human rights of those affected by their investment activities and seek to confirm that their investments do not flow to companies that maintain discriminatory policies.

WAGES & BENEFITS *Workers are fairly compensated and provided with affordable healthcare*

NYS CRF	MSRPS	MassPRIM	ISBI	CALPERS
<p>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...</p> <p>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.</p>	<p>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.</p>	<p>MassPRIM supports the payment of industry standard wages and customary benefits to all portfolio company workers and contracted workers.</p>	<p>Support the payment of industry-standard wages that provide an adequate standard of living for all employees. Respect federal and state prevailing wage regulations where applicable.</p>	<p>—</p>

LAYOFFS *Providing severance pay for employees in the event of layoffs*

NYS CRF	MSRPS	MassPRIM	ISBI	CALPERS
<p>Minimize adverse impacts on portfolio company workers and existing collective bargaining agreements resulting from mergers, acquisitions, restructurings, reorganizations or bankruptcies.</p>	<p>—</p>	<p>—</p>	<p>Minimize adverse impacts on workers resulting from company transactions, restructurings, reorganizations or bankruptcies. Such efforts could include respecting existing collective bargaining agreements when companies are acquired, negotiating successorship clauses regarding collective bargaining agreements when companies are sold, and providing reasonable severance pay where applicable.</p>	<p>—</p>

DIVERSITY, EQUITY, AND INCLUSION *Increasing the inclusion of historically marginalized groups in workforce and management*

NYS CRF	MSRPS	MassPRIM	ISBI	CALPERS
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).	—	—	Support recruiting and retention efforts that represent best practices across industries. Adopt policies that encourage a diverse and inclusive workforce and provide opportunities for employee growth and development.	Seek to improve diversity, equity, and inclusion in portfolio investments to address recruitment, retention, and compensation.

HEALTH & SAFETY *Providing a safe working environment for employees*

NYS CRF	MSRPS	MassPRIM	ISBI	CALPERS
Make occupational safety and health a top priority and maintain and disclose relevant safety and health metrics.	Maximize the productivity and effectiveness of their workers by investing in training, safe workplaces, fair compensation, and reasonable health and retirement benefits.; Make occupational safety and health a top priority; measure and disclose relevant safety and health metrics, including workplace injuries.	MassPRIM encourages practices that prioritize a healthy and safe work environment in portfolio companies.	Promote a safe and healthy working environment. Properly train employees and adopt policies and practices that prioritize occupational safety and health for all workers.	A safe and healthy working environment. Seek to support and improve the well-being of employees as part of human capital management strategy that includes providing a safe, harassment-free and healthy workplace.

WORKING CONDITIONS *Employees experience equitable scheduling*

NYS CRF	MSRPS	MassPRIM	ISBI	CALPERS
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... Reject the use of non-disclosure and forced arbitration provisions in employment contracts.	Support policies that provide for reliable work schedules, compensation levels, and benefits for all employees that allow for an adequate standard of living, and provisions for sick leave.	—	Adopt policies that provide for reasonable work hours as well as reliable work schedules for workers. Discourage labor policies that result in impractical work schedules.	—

APPLICABILITY *The portfolio companies and investments in which the GP will guarantee compliance with these principles*

NYS CRF	MSRPS	MassPRIM	ISBI	CALPERS
<p>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.</p>	<p>Due diligence review, as well as its monitoring and oversight of private equity asset class investments with respect to responsible workforce management practices. The principles will be most applicable to Staff's review of a direct investment by the System into funds with investment strategies that focus on the control of portfolio companies. For investments with indirect investment strategies, such as funds-of-funds or funds engaged in the purchase and sale of limited partner fund interests on the secondary market the PE manager should be aware of the principles and encouraged to employ them in their evaluation of investments. Managers, future capital allocations will be evaluated for evidence of a pattern of persistent non-compliance.</p>	<p>The Responsible Workforce Management Policy (the Policy) is intended to encourage the adoption of Responsible Workforce Principles within private companies, with the goal of enhancing the overall value of investments, subject to the investment objectives of the fund.</p>	<p>Intended to guide ISBI's private equity managers as they make investments on ISBI's behalf.</p>	<p>Portfolio-wide</p>

DISCLOSURE/REPORTING *How the GP reports workplace issues to investors*

NYS CRF	MSRPS	MassPRIM	ISBI	CALPERS
<p>—</p>	<p>Implement policies and practices that ensure portfolio company workers can safely report, without fear of retaliation, violations of these Principles to PE Managers and relevant regulatory agencies.</p>	<p>—</p>	<p>Implement policies and practices to allow portfolio company employees to safely report any violations of these principles to private equity managers. Maintain an open line of communication with portfolio company workforces and any labor union representing workers at a portfolio company. Prohibit retaliation of any kind against employees who report such violations.</p>	<p>See Corporate Reporting KPIs</p>