



The Industry's First Ever ESG Certification Awarded by K2 Integrity to Hidden Star Capital's Inaugural ESG Venture

Multiprong Assessment Certifies and Validates Hidden Star Capital's New ESG Offering

March 29, 2023 – NEW YORK, NY – K2 Integrity's ESG business announced that it has awarded its ESG Certification ("I2ESG" or "Certification") to Hidden Star Capital's new ESG venture, one of the strongest ESG offerings ever launched. Hidden Star Capital is a recently-established affiliate of Hidden Star, a leader in supporting minority- and woman-owned businesses, and engaged K2 Integrity's team of experts to validate and verify its new ESG venture through the Certification. The robust, multi-faceted I2ESG assessment began at the onset of the Hidden Star Capital's development process to ensure the new venture would be best-in-class.

Designed to address the issue of greenwashing and provide transparency to stakeholders, institutions across financial services and beyond have been leveraging I2ESG to ensure their ventures and products meet their ESG commitments and are compliant with ESG best practices.

"The motivation for creating this concept over many years was to come up with a 360-degree validation and review to give investors, stakeholders and regulators confidence with their investments and managers as it relates to policy and procedures, investments, their actions and reporting," said Andrew Rabinowitz, Co-CEO of K2 Integrity. "To meet this objective, we assembled a group of ESG leaders to develop the first-of-its kind independent analysis for ESG offerings and businesses. Our work with Hidden Star Capital, which has been doing great things for underserved communities, is what we hoped to achieve – not just verifying ESG integrity but serving as a partner, helping companies design best-in-class ESG businesses and products.

"We are pleased to successfully validate our ESG program via K2 Integrity's I2ESG certification," said Mike Dewey, Founder and President of Hidden Star Capital. "K2 Integrity is an early mover to address the rise of greenwashing by bringing to market a first-of-its kind independent ESG certification. We are proud to certify to the minority- and woman- owned businesses we partner with, potential investors and the wider industry that we are following through on our ESG commitments at a time when the spotlight on this sector has never been greater."

To help develop the bespoke certification solution, Rabinowitz engaged leading ESG subject matter experts, including Maples Group, Kalmus Capital, Novata, RepRisk, Citco Fund Services and academics from renowned institutions, including Yale University, Cornell University, University College-London, Carnegie Mellon University and Columbia University.

Neelam Sharma, Chief Business Development and ESG Officer for K2 Integrity, added: "ESG is a critical component to doing business and it is imperative to have standards created to independently verify that ESG products are designed to do what they promise. We have done just that, in collaboration with academics and other ESG savants including Joseph Naayem, Marcel Herbst, Shivram Rajgopal, Todd Cort and Brett Tucker. It has been an honor to work with Mike Dewey and the Hidden Star Capital team to validate that they have the appropriate

process, procedures and controls in place to meet I2ESG's standards to receive an Impact Certification. This Certification gives Hidden Star Capital investors and the market confidence that the fund is staying true to its ESG mandate. ESG is being embedded in every business across every sector, and our team of experts can help any organization validate and verify their ESG commitments."

The Certification fills a much-needed void in the ESG market and enhances investor confidence. It also offers a new process to better develop leading regulatory compliant ESG offerings. By leveraging the Certification at the onset, businesses can use its clear and transparent framework to inform best practices, identify gaps and create remediation plans to guide the development process. This allows issues to be addressed in real time instead of fixing them after the development process has been completed, which can be clunky, less efficient and does not ensure seamless alignment of goals and results.

Peter Golden, Managing Director for K2 Integrity added: "The issues around ESG are not specific to just the financial services industry. By engaging with a variety of institutions in different industries, we have been able to help businesses develop better processes and identify areas for enhancement and improvement through a tailored gap analysis. We are proud of the role we played in supporting Hidden Star Capital and are excited to help more companies move the ESG needle in a positive and impactful way."

Melanie Steiner, Strategic ESG Advisor to K2 Integrity Co-CEO Andrew Rabinowitz added: "In light of the rapid uptake of ESG in financial markets globally, we are excited to bring to market this comprehensive, first-of-its-kind ESG platform that will allow for much needed transparency and strategic improvements in the space."

K2 Integrity's ESG-related certifications including programs and assessments to comply with the Sustainable Finance Disclosure Regulation (SFDR). I2ESG certifications include:

- Integrated – Designed for funds that use ESG principles in their decision-making process but are not specifically targeted towards ESG
- Focused – Designed for funds that target ESG issues, and are employed in a specific industry or have a specific set of metrics that are used to build the investment strategy and policy
- Impact – Designed for funds that measure the ESG impacts of an investment portfolio, or all three, as well as focus on ESG centric financial returns
- SFDR Article 6 – Validates that a Fund is aligning to the regulatory requirements for SFDR Article 6
- SFDR Article 8 – Validates that a Fund is aligned with the regulatory requirements of Article 8
- SFDR Article 9 – Validates that a Fund is aligned to the regulatory requirement of Article 9

To learn more about the Certification, please visit www.k2integrity.com/en/services/esg or contact Alan Swersky at aswersky@k2integrity.com.

About K2 Integrity

K2 Integrity is the leading risk and financial crimes advisory firm helping clients understand

and manage their risk so they can lead with confidence. With offices in New York, Washington, D.C., London and Abu Dhabi, and more than 350 employees globally, K2 has deep knowledge and experience working in every region and numerous jurisdictions around the world. To learn more about how K2 Integrity is revolutionizing the management of risk, visit www.k2integrity.com, or follow us on Twitter or LinkedIn.

About Hidden Star Capital

Hidden Star Capital and its flagship Hidden Star Equity Fund are set to make \$300 million of growth equity investments in minority and women owned businesses in the U.S., building on the work of Hidden Star Resources, a 501(c)(3) nonprofit that has helped hundreds of minority entrepreneurs create thousands of jobs over the last seven years. This growth capital will be deployed in an area of the American economy that has been denied access to capital and expertise – minority and women owned businesses.

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