LEXINGTON PARTNERS

2026 TCFD Report

TASK FORCE ON CLIMATE-RELATED DISCLOSURES

AUGUST 2026

Overview

Lexington acknowledges the risk that climate change poses to our business, our industry, and our communities. Our primary objective is to generate attractive, risk-adjusted returns for the investors in our funds, and we believe the adoption of strong responsible investment policies and practices can mitigate investment risk and positively impact long-term performance for our limited partners, consistent with our fiduciary duty. In addition, we strive to foster a culture of sustainability and encourage awareness of climate-related risks and opportunities in our investment process.

While Lexington does not pursue an ESG-based investment strategy, ESG considerations, including risks and opportunities related to climate change and the transition to a low carbon economy, are embedded in Lexington's governance and risk management frameworks and investment and portfolio construction principles. As a secondary investor or passive minority co-investor, we are not typically positioned to influence a sponsor or underlying portfolio company on climate factors. However, we believe that ongoing communication with our limited partners and underlying sponsors can help us achieve common goals and perpetuate transparency and consistent reporting around climate-related risks in our business. In this report, we disclose our efforts to assess and mitigate climate-related risk in our operations and investment activities and share our progress on climate objectives in line with the four pillars of the TCFD recommendations.

Governance

Disclose the organization's governance around climate-related risk and opportunities

Lexington believes that strong senior-level oversight, clear allocation of responsibilities, and broad information sharing position the firm to evaluate, mitigate, and disclose climate-related risks in our operations and investment activities. Lexington has an ESG and Stewardship Policy, publicly available on our website,[1] which defines and governs Lexington's approach to responsible investing. Lexington does not have an independent board of directors, and as such, Lexington's responsible investment efforts are ultimately overseen by Lexington's Operating Committee, described below.

In 2022, Lexington was acquired by Franklin Templeton, one of the industry's largest investment management organizations. Franklin has demonstrated a strong commitment to responsible investing and stewardship and has been acknowledged as a leader in sustainability. While Lexington remains operationally independent, we benefit from the considerable expertise embedded within Franklin's global platform.

Illustrative ESG Governance at Lexington

Presented for illustrative purposes only.

[1] www.lexingtonpartners.com/app/uploads/2026/04/Lexington-ESG-and-Stewardship-Policy-Apr-26.pdf

- **Operating Committee:** Lexington's Operating Committee, comprised of Wilson Warren (Partner & President) and Thomas Giannetti (Partner & CFO), is responsible for Lexington's day-to-day operations globally and is updated on ESG matters, including those related to climate change and climate risk, as appropriate.

- **ESG Steering Committee:** Lexington has an ESG Steering Committee which is responsible for the oversight and implementation of the firm's ESG initiatives, including in respect to climate. The ESG Steering Committee is also responsible for ensuring adherence to the ESG and Stewardship Policy and educating the firm on ESG issues. The ESG Steering Committee convenes at least semi-annually and is comprised of senior members from various teams within the firm: secondary, co-investment, investor relations, and legal and compliance, in order to benefit from diverse perspectives. Importantly, the ESG Steering Committee includes executives from the secondary, continuation vehicle ("CV"), and CIP investment committees and reports to Lexington's Operating Committee, which ensures executive sponsorship of responsible investment integration across the firm.

- **Secondary, CV, & CIP Investment Committees:** The secondary, CV, and CIP investment committees (together, the "Investment Committees") are responsible for portfolio construction and the due diligence and monitoring of Lexington's investments. Each Investment Committee convenes as needed, typically weekly, and evaluates the merits, risks, and dynamics of a transaction, which may include factors related to climate risk and the transition to a low carbon economy. Material climate-related risks and opportunities, defined as those which may have a meaningful impact on the financial performance of a transaction, would be deliberated by the Investment Committee during the decision-making process.

- **Operational Sub-Committee:** In order to better track risks pre-investment, including those related to climate change, Lexington established an Operational Sub-Committee to monitor ESG, legal & compliance, finance and accounting, and tax considerations in due diligence. Upon completion of due diligence for all investments in a portfolio and completion of Lexington's models and summaries, the investment teams are required to submit a completed questionnaire to Lexington's Operational Sub-Committee intended to identify any material risks associated with the transaction, including material ESG risks associated with climate change and the transition to a low carbon economy.

- **Franklin Templeton Sustainability and Stewardship Council:** Following the closing of Lexington's acquisition by Franklin Templeton in April 2022, Lexington appointed an investment partner delegate to the Sustainability and Stewardship Council ("SSC"), which connects ESG leaders across Franklin's broad asset management platform to discuss sustainability and guide the evolution of Franklin's sustainable investing and stewardship infrastructure. Lexington is also a member of the Alternatives Sub-Committee, which meets regularly. Importantly, Lexington's representatives on the SSC are also members of Lexington's ESG Steering Committee, allowing for effective information sharing across our responsible investment initiatives.

- **Third-Party ESG Consultant:** Since 2021, Lexington has engaged third-party ESG consultants to assess Lexington's responsible investment program and advise on ways to improve our responsible investment policies and procedures, including our approach to assessing and managing climate-related risks, in line with regulation and industry best practices.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material

Lexington has identified climate-related risks as posing low risk to the firm's direct operations. As a secondary and passive minority co-investor, Lexington becomes a substitute limited partner in underlying funds or a passive minority co-investor in underlying companies and relies on the underlying or lead sponsors to address climate-related risks and opportunities at the underlying portfolio company level. However, Lexington recognizes that portfolio holdings may face physical (acute or chronic) and/or transition (policy and legal, technology, market, or reputation) climate risks, but believes climate risks to the overall investment portfolio are relatively limited over our average hold period.

Our comprehensive up-front due diligence and detailed post-investment financial statement analysis are measures taken to detect ESG risks, including those related to climate change. Given the breadth of our investments, the time horizon and potential impact of climate-related risks and opportunities vary across the portfolio. ESG considerations are one of a number of factors that Lexington examines when considering investments. In addition, the particular ESG considerations assessed as part of a fund's investment process may vary considerably by transaction, and not every ESG factor may be identified or evaluated in each instance. Together with an analysis of underlying portfolio companies, Lexington evaluates the quality of the sponsors that are managing the investments, including the sponsor's approach to ESG issues, which may include climate-related factors as outlined in Annex A of the ESG and Stewardship Policy.

On a look-through basis, Lexington has examined the underlying company exposures of our latest secondary, CV, and co-investment funds to the four non-financial groups and 17 industries deemed by the TCFD to have the highest likelihood of climate-related financial impacts as a result of physical and/or transition risks. As of December 31, 2025, in our latest global secondary, middle market secondary, CV, and co-investment funds, exposure to these industries was as follows:

	Global Secondary Fund (2024)	Middle Market Secondary Fund (2025)	Continuation Vehicle Fund (2025)	Co-Investment Fund (2024)
Energy	1%	0%	0%	0%
Transportation	2%	0%	0%	1%
Materials & Building	13%	23%	58%	6%
Agriculture, Food, & Forest Products	2%	9%	0%	10%
Total	17% / 733	32% / 26	58% / 1	17% / 12
Remaining – Other	83% / 6,641	68% / 365	42% / 2	83% / 52

% of exposure / # of companies. Based on underlying GP values as of 12/31/25 for the secondary funds, and NAV as of 12/31/25 for the co-investment and CV fund.

Given the nascent position of the middle market secondary and CV fund portfolios – which started investing in 2025 – we do not view the exposures above to be indicative of the fund's diversification, and would expect these relatively concentrated exposures to minimize over time as the funds advance in their investment programs. We believe the diversified nature of Lexington's funds and the quality of underlying sponsors positions our funds to be resilient to climate-related risks.

At the firm-level, Lexington recognizes that climate-related transition risks may impact the firm's overall ESG strategy in the short to medium term, particularly through the evolution of climate disclosure regulation for the financial industry. The firm's ESG Steering Committee is responsible for identifying material climate-related considerations and integrating climate risks into strategic planning.

Risk Management

Disclose how the organization identifies, assesses, and managed climate-related risks

Lexington has developed a rigorous investment monitoring process which includes an assessment of ESG factors during investment due diligence and portfolio monitoring.

- **Investment Due Diligence:** Lexington has continued to refine its due diligence process for over 30 years. This process combines a detailed "bottoms-up" company analysis with a qualitative assessment of the sponsor's strategy and reputation. As part of our due diligence process, we consider material short-term and long-term ESG risks and opportunities, including those related to climate change and the transition to a low-carbon economy. We define material risks and opportunities as those which may have a meaningful impact on the financial performance of a transaction. As an investor in interests managed by over 950 sponsors, Lexington is well-positioned to evaluate a sponsor's ESG record and ability to mitigate ESG risk.

  At the company-level, depending on the nature of the transaction, Lexington leverages ESG tools and resources as appropriate, including a third-party ESG risk data tool and ESG due diligence conducted by sponsors. During due diligence, deal teams are expected to consult a list of relevant illustrative ESG indicators, as outlined in Annex A of the ESG and Stewardship Policy, which includes climate-related factors, in conjunction with the consideration of other factors, and report any material ESG issues to the Operational Sub-Committee as described above. Lexington's funds are diversified across sector, geography, and industry and therefore, the relevant ESG factors of the underlying companies tend to vary considerably across the physical and transition risks and opportunities identified by the TCFD. Given the average hold period of our secondary and co-investment funds, we generally focus our risk analysis on the short- and medium-term.

- **Annual ESG Survey:** Each year, Lexington surveys the underlying sponsors of its actively investing secondary, CV, and co-investment funds about their responsible investment activities and reporting. Lexington's ESG survey is intended to capture the underlying sponsors' views on responsible investment and to obtain insights into any ESG initiatives these sponsors may have implemented, including in respect to their climate-related practices at both the firm- and company-level. As part of this effort, in 2025, Lexington expanded the survey to obtain greater insight into how responsible investment considerations are addressed across later stages of the investment lifecycle, based on growing emphasis on these topics from regulatory bodies and corresponding attention from investors and sponsors.

- **Reporting:** Transparency and communication are central to the way we conduct our business. Lexington publishes our annual responsible investment report publicly to our website to document progress on the firm's responsible investment and climate commitments and summarize findings from the annual ESG survey. In 2024, Lexington issued its inaugural TCFD report on a voluntary basis. As a signatory to the PRI, Lexington reports on the firm's responsible investment activity on an annual basis. Lexington provides detail on its climate strategy through PRI reporting, which incorporates TCFD recommendations into its reporting framework.

[2] www.lexingtonpartners.com/app/uploads/2026/06/2025-Responsible-Investment-Report_Lexington-Partners.pdf

Metrics & Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

As secondary and passive minority co-investors, Lexington does not manage or control the underlying investments and, therefore, may have limited ability to engage with portfolio companies directly on ESG-related issues, including climate risk. We endeavor to continue to refine our data collection approach in order to better understand and measure climate-related risks in our portfolio.

As described above, at the sponsor-level, we expanded our annual ESG survey in 2025 to include more detailed questions related to how responsible investment considerations are addressed across later stages of the investment lifecycle. In 2025, Lexington received survey responses from over 130 sponsors representing over $4.8 trillion in AUM. Of respondents, 30% reported formally supporting the TCFD (versus 24% in 2024), 59% measure GHG emissions at the firm-level (versus 53% in 2024), and 64% measure GHG emissions at the investment-level (versus 66% in 2024). Additionally, approximately a third of respondents maintain specific climate commitments. Through our survey, we also encourage our underlying sponsors to report to the ESG Data Convergence Initiative ("EDCI"). We believe that our commitment to surveying GPs on an annual basis and comparing the results of this survey over time allows us to monitor how our sponsors are responding to climate-related risks, improve data transparency, and promote acceptance and implementation of ESG best practices among a highly diversified portfolio of sponsors, including in respect to the collection and disclosure of standardized climate metrics.

At the underlying company-level, Lexington currently does not receive sufficient data to aggregate climate-related metrics, reflecting the large number of companies to which our funds have indirect exposure. However, Lexington made meaningful progress in advancing its fund-level climate data capabilities through the course of the year. Notably, Lexington has introduced portfolio-level emissions data collection for its global secondary strategy, leveraging proxy data, and has expanded the scope of its annual EDCI request beyond CIP to include the underlying companies of its single-asset CV strategy which began deploying capital during the year. Additionally, Lexington expanded the use of our ESG risk data tool (RepRisk) during investment due diligence and portfolio monitoring to enhance insights into climate risks across our investments

At the firm-level, Lexington measured its 2025 carbon footprint for Scope 1, 2, and 3 (business travel) emissions, which totaled approximately 1,088 metric tons. This was calculated by our third-party consultant in line with the GHG Protocol Corporate Accounting and Reporting Standard and emissions factors from the EPA and DEFRA, and remained relatively stable year over year. We offset these emissions with verified carbon credits.

Action Plan

Lexington will continue to prioritize generating attractive, risk-adjusted returns in our funds and to ensure the firm's interests are strongly aligned with those of our investors. While we believe that responsible investment principles have been embedded in our firm's culture and investment ethos for over a decade, we remain resolute in our commitment to strengthening our core responsible investment values, driving sustainable growth in our industry, and providing transparency around our business. Further, we will strive to elevate our responsible investment capabilities to promote positive change within our firm, our industry, and our communities as it relates to climate change and the transition to a low-carbon economy.

We will specifically undertake the following actions:

- Collect decision-useful information that advances our understanding of how underlying sponsors in our portfolio address climate-related physical and transition risks;
- Enhance data analysis in the investment due diligence and monitoring process;
- Advance technology-enabled solutions for data collection, analysis, and reporting;
- Encourage standardized responsible investment reporting among general partners, where possible;
- Contribute to the conversation on responsible investment in our industry through collaboration with our peers and industry groups;
- Continue to engage in firm-wide carbon foot-printing and offset programs.

Important Notice

This report is being provided for informational and discussion purposes only and does not constitute an offer to sell or a solicitation of an offer to purchase a limited partner interest in any investment fund sponsored by Lexington (as defined below). Any such offer or solicitation shall be made only pursuant to a confidential private placement memorandum (a "Memorandum") which will describe certain risks and other matters related to an investment in the relevant investment fund. Unless specifically stated to the contrary or as the context otherwise requires, all references herein to "Lexington" shall refer to Lexington Partners L.P. and its affiliated entities. Lexington Partners L.P. and Lexington Partners Luxembourg S.à r.l. have separately published information required to be given in relation to their integration of sustainability risks into their investment decisions, and consideration of adverse sustainability impacts, under the EU Sustainable Finance Disclosure Regulation. This information can be accessed here.

Lexington Partners is a subsidiary of Franklin Resources, Inc., a global asset investment organization with subsidiaries operating as Franklin Templeton ("Franklin"). For the avoidance of doubt, references herein to the "Firm" refer to Lexington Partners L.P. and its subsidiaries, and do not refer to Franklin Templeton or any of its non-Lexington affiliates or subsidiaries.

The survey discussed herein and the full findings thereof contain, or are based on, confidential information regarding certain Lexington partnerships. The survey findings discussed herein are based on the number of sponsors that responded to Lexington's survey. This report and the findings herein are being provided for informational and discussion purposes only. By accepting this report, each recipient agrees not to use it in whole or in part for any reason other than those described in the preceding sentence.

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While Lexington may consider ESG factors when making an investment decision, unless otherwise specified in a fund's investment strategy, the Lexington funds do not pursue an ESG-based investment strategy or limit its investments to those that meet specific ESG criteria or standards. Any reference herein to environmental or social considerations is not intended to qualify our duty to maximize risk-adjusted returns.

In accordance with Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (the Sustainable Finance Disclosure Regulation ("SFDR")), Lexington is required to provide transparency on how it integrates sustainability risks into the investment process. Sustainability risks, as defined under the SFDR, are environmental, social and governance events or conditions whose occurrence could have an actual or potential principal adverse impact on the value of an investment.

Lexington recognizes that the consideration of ESG risks are valid parts of the investment analysis and decision making processes. In addition, Lexington is conscious that as ESG policies and regulations become more widely promulgated it is likely that the underlying companies that are better positioned to embrace the aspirational aims of the Principles for Responsible Investment ("PRI") will be less affected financially in the future.

Lexington asks for information regarding ESG factors from sponsors and records ESG responses as part of its investment due diligence process. In addition, once an investment is made by the relevant Lexington funds, Lexington conducts a periodic survey of sponsors inquiring about their ESG policies and approach. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852 of the European Parliament and of the Council on a taxonomy to facilitate sustainable investment.

Lexington does not currently consider with respect to the relevant Lexington funds' data or information regarding the "adverse impacts of investment decisions on sustainability factors" in accordance with SFDR. In light of Lexington's principal strategies of investing with and alongside other private equity sponsors, Lexington is not in a position to obtain and measure all the data required by the SFDR to report to investors. Lexington will endeavor to review and re-assess this position, taking into consideration market developments and the future availability of information. Notwithstanding the foregoing, environmental or social objectives do not as such form a binding element in the investment strategy of the relevant Lexington funds and it is therefore not intended that the relevant Lexington funds qualifies as a fund within the meaning of Article 8 of the SFDR.