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LexingtonPartners

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EU SUSTAINABLE FINANCE DISCLOSURE REGULATION

Disclosures required by Lexington Partners Luxembourg S.à.r.l. ("Lexington Partners Luxembourg") under the EU Sustainable Finance Disclosure Regulation

ESG and Stewardship Policy

Lexington Partners Luxembourg is subject to the group ESG and Stewardship Policy implemented by Lexington Partners L.P. ("Lexington"). Under the group policy, Lexington affirms its commitment to the mission and ideals of the Principles for Responsible Investment ("PRI") and is aware that Environmental, Social, and Governance ("ESG") risks can affect the value of investment portfolios. Lexington considers a variety of factors when making investment decisions on behalf of the funds that it manages and recognizes that the consideration of ESG risks are valid parts of the investment analysis and decision-making processes. In addition, it 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 PRI will be less affected financially in the future. While our fundamental due diligence process as to consideration of ESG risks remains the same, Lexington's secondary and co-investment funds ask for information regarding ESG factors from the sponsors with which it invests and it records ESG responses as part of its investment due diligence process. In addition, once an investment is made by Lexington's secondary funds, it conducts a periodic survey of sponsors inquiring about their ESG policies and approach. Lexington believes that its commitment to surveying and reporting findings anonymously and in the aggregate to both participating sponsors and the funds' limited partners demonstrates Lexington's commitment to creating awareness among a highly diversified portfolio of sponsors regarding ESG best practices and to providing assurances to limited partners about ESG adoption within the Lexington secondary funds.

No consideration of sustainability adverse impacts

Lexington Partners Luxembourg does not currently consider with respect to its products data or information regarding the "principal adverse impacts of investment decisions on sustainability factors" ("PAI factors") 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")) and Regulation (EU) 2022/1288. In order to consider PAI factors, Lexington Partners Luxembourg would need to aggregate data across multiple underlying funds managed by other private equity sponsors, many of which do not report using the same metrics, and this is unlikely to change in the near future. Given the limited availability of relevant data, there is no assurance that the data that Lexington Partners Luxembourg could obtain will provide meaningful insights. Gathering and measuring all relevant data across each indicator in a systematic, consistent, and cost-effective manner for investors, as required by the SFDR, is not currently feasible. As a result, Lexington Partners Luxembourg has not set a target date for considering principal adverse impacts. Lexington Partners Luxembourg will endeavor to review and re-assess this position, taking into consideration market developments and the future availability of information.

Remuneration

In accordance with the SFDR, Lexington Partners Luxembourg publishes information on how its remuneration policy is consistent with the integration of sustainability risks. Lexington Partners Luxembourg's remuneration practice is aimed at aligning remuneration with prudent risk-taking, with its remuneration framework based on a balance of variable to fixed remuneration and the assessment of individual performance. Its approach to remuneration of its employees seeks to: (i) align relevant staff's incentives with asset owners' long-term interests and the long-term success of Lexington; and (ii) to promote a sound and effective risk management culture to protect the value of the investment portfolios. Lexington Partners Luxembourg considers that integration of ESG and sustainability risk considerations, where these are relevant and material for investment performance, are consistent with its remuneration policy, as the incorporation of such considerations into the investment process has the potential to enhance investment performance, which benefits investors, Lexington Partners Luxembourg and its staff.