

<https://www.hamiltonlane.com/en-us/eu-sfdr-disclosure>

The Sustainable Financial Disclosure Regulation (“SFDR”) is a European Union (EU) Regulation, which lays down harmonised rules for financial market participants and financial advisers on transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability-related information with respect to financial products.

Article 3: Entity-level Sustainability Risk Integration

Hamilton Lane has a long-standing commitment to corporate responsibility. Since 2008, we have worked to institutionalize our approach to responsible investment. Today, we fully integrate ESG into all our due diligence processes, ensuring that ESG issues are considered when making investment decisions. As part of our full due diligence process, we score each GP on their approach to ESG, which helps our clients understand how GPs are performing while also allowing us to identify the areas in which to engage with the GPs. Our proprietary rating system seeks to benchmark GPs to best practices, which means that the standards we expect from our GP partners are continuously increasing. Included in our overall approach to ESG is our ongoing focus on climate, governance, diversity, and social inclusion both at GP and underlying portfolio company level.

This process is both qualitative and quantitative, and final recommendations are based on whether an investment satisfies both parts of the process. Further, we work with both GPs and our clients to help them develop their own ESG policies and procedures, as necessary. By incorporating ESG factors across our investment process and increasing the level of available information, we are ultimately helping our clients better understand and meet their responsible investing objectives.

The Hamilton Lane ESG Investment Policy outlines the firm’s robust and pro-active approach to ESG integration throughout the investment lifecycle and can be found here: [ESG & Responsible Solutions | Hamilton Lane](#)

Article 4: Principal Adverse Sustainability Impacts

While Hamilton Lane considers potential material negative externalities during the due diligence process, it does not have the ability to actively track or report on all principal adverse impact (“PAI”) indicators as laid out under the SFDR regulatory technical standards (“SFDR RTS”). As a fund of fund manager, investing in primary investments, secondary investments and minority non-control direct investments, the firm typically procures a passive, minority position, and as a strategic partner, the firm fully aligns itself with the sponsor of a transaction. Entering a deal under the same terms and conditions as the sponsor is typically a prerequisite for the firm’s participation and it allows the sponsor to represent our interest. In general, the firm is passive regarding the daily management of the underlying portfolio companies which limits the firm’s ability to collect PAI data from the underlying portfolio companies.

As the sustainable investing regulatory environment is ever evolving and the nature of principal adverse impact in relation to other ESG factors is not yet clear, the firm continues to monitor the regulatory landscape and the availability of reliable data

Article 5: Remuneration Policy Statement

Sustainability risks, by their nature, may materialise only over long time periods, and the firm's remuneration framework is designed to reflect that infrequent, high magnitude risks are not always best captured by short term indicators. The remuneration framework aims to promote adherence to the value creation strategies that Hamilton Lane believes provide the best returns on business activities.

Hamilton Lane recognises that incentive structures can lead to harmful outcomes if improperly structured, and that incentive structures need to be adjusted to ensure continued alignment with the full range of desired outcomes.

Article 10: Fund Disclosures subject to Article 8 or Article 9 of the SFDR

Hamilton Lane publishes and maintains the required fund disclosures subject to Article 8 and 9 of the SFDR via the relevant fund investor portals. All prospective and existing investors of the relevant fund(s) are provided access to the relevant fund investor portals.

Last updated: August 2023