



Hamilton Lane®

Environmental, Social, and Governance Investment Policy Statement

March 2022

Responsible investing is a global business imperative and key to building long-term value in a rapidly changing world.

We at Hamilton Lane have been delivering on this premise and proudly helping our clients secure a better future for more than 30 years. As a global leader, we have consistently been at the forefront of industry changes, often helping to influence and drive them. Responsible investing also goes hand-in-hand with our organization's values. One needs to look no further than our mission statement to understand that the notion of investing responsibly is core to our culture. We enrich lives and safeguard futures. We do the right thing – we invest with partners who share our values and those of our clients. What's more, we believe responsible investing makes good business sense – reducing risk and helping to create better outcomes – for all stakeholders. It helps to safeguard our collective futures.

We believe that Environmental, Social and Governance (ESG) issues can affect the performance of investment portfolios, and that investing responsibly and maintaining accountability can have a positive impact on improved financial performance and value creation. This ESG investment policy statement broadly defines Hamilton Lane's principles and objectives with respect to responsible investment. Each Hamilton Lane investment area has its own ESG Champions and defined procedures; these are living frameworks that inform our decision-making and help us to uphold our intentions of acting as a responsible investor.

Principles for Responsible Investment

Hamilton Lane is proud to have been signatory to the UN-backed Principles for Responsible Investment (PRI) since 2008 and to have endorsed the ILPA Principles. Additionally, Hamilton Lane is an Influencer with Pensions for Purpose, and a signatory to the ILPA Diversity in Action initiative.

As part of our commitment to the PRI, we are committed to the following six principles:

- We will incorporate ESG issues into investment analysis and decision-making processes.
- We will be active owners and incorporate ESG issues into our ownership policies and practices.
- We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- We will promote acceptance and implementation of the principles within the investment industry.
- We will work together to enhance our effectiveness in implementing the principles.
- We will report on our activities and progress towards implementing the principles.



Hamilton Lane Mission Statement:
We enrich lives and safeguard futures



Initiative Climat International

Hamilton Lane has joined iCI in 2022, as part of the effort to broaden our ESG platform and tackle the issue of Climate Change. iCI is affiliated with the PRI and represents "...a collective commitment to understand and reduce carbon emissions of private equity-backed companies and secure sustainable investment performance."

Our commitment to iCI encompasses the following points:

- We recognize that climate change will have adverse effects on the global economy, which presents both risks and opportunities for investments.
- We will join forces to contribute to the objective of The Paris Agreement to limit global warming to well-below two degrees Celsius, and in pursuit of 1.5.
- We will meaningfully engage with private equity firms under which funds are entrusted to develop an emissions reduction and climate change action plan.

Other Affiliations

In early 2021, Hamilton Lane became a signatory to ILPA's Diversity in Action Initiative. This effort focuses on foundational actions that LP and GP organizations are taking to advance diversity, equity and inclusion, both internally and throughout the industry more broadly. Hamilton Lane is honored to join our founding co-signatories in this important effort across our industry and we remain committed to creating and maintaining an inclusive and collaborative workplace across the globe.

Additionally, Hamilton Lane is an Influencer member of Pensions for Purpose, and one of our Principals has been named to their 2022 Advisory Group. The

mission of PpP is to encourage ESG and Impact investing at pension funds and increase knowledge sharing among market participants.

Leadership

Hamilton Lane's commitment to ESG starts at the top, with our executive team setting clear expectations that our investment activities reflect our core values, especially "Do the right thing." Responsibility for oversight, strategy and guidance on ESG rests with the Responsible Investment Committee, which includes Paul Yett, Director of ESG & Sustainability, Brian Gildea, Global Head of Investments, Jackie Rantanen and Dave Helgersen, Co-Heads of Impact, along with other senior members of the firm. Responsibility for ESG integration rests with the heads of each of our specialized investment teams, supervised by Brian Gildea.

Risk management oversight and direction across the firm is provided by the Risk Management Committee ("Committee"). This Committee is also responsible for the governance and reporting of modern slavery risks within the Firm's operations and supply chain. This Committee is comprised of some of the most senior members of the firm and includes individuals across the spectrum of departments to ensure a comprehensive approach.

Internal Education

Our investment teams are responsible for ESG due diligence. We actively educate our firm and our investment teams on ESG matters and expect every team member to be well informed. This includes ensuring each member of the team receives adequate and ongoing training regarding Hamilton Lane's developing views and evolving best practices. Hamilton Lane's dedicated ESG team works directly with members of each investment team on implementing best practices.





ESG Integration

Since 2008, we have worked to institutionalize our approach to responsible investment. Today, we fully integrate ESG into all of our due diligence processes, ensuring that ESG issues are taken into account when making investment decisions. As part of our standard process, we rate GPs on their approach to ESG, which allow us to help our clients understand how their 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 diversity and social inclusion both at GP and underlying portfolio company level.

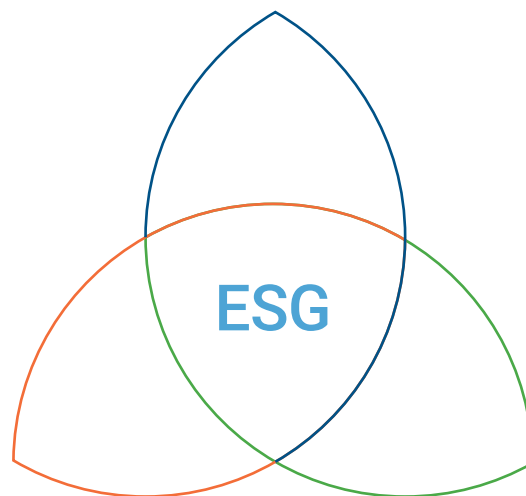
This process is both qualitative and quantitative, and final recommendations are based on whether an investment satisfies both parts of the process. Further, we work with both GPs and our clients to help them develop their own ESG policies and procedures, as necessary. By incorporating ESG factors across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

Monitoring & Reporting

We engage with GPs and direct investment portfolio companies on ESG reporting, to increase both the levels and standards of ESG reporting across the industry. We aim to leverage our technology platforms to collate and analyze the data we receive. We work with our clients to meet their own ESG reporting needs. Annually, we report on our progress to the PRI and are proud to have received an A+ rating in Indirect Private Equity for the 2019/2020 reporting cycle*.

Post-investment, we monitor GPs and their developing portfolios and direct investment portfolio companies to ensure adherence to ESG policies and commitments. We have increased to annually the frequency of our ESG and Diversity data collection across all managers with whom we have placed discretionary capital. This will allow us to identify emerging best practices and managers who may be falling behind year over year. Hamilton Lane is implementing technology solutions to actively monitor ESG incidents in products and client portfolios. We ultimately seek to standardize ESG reporting capabilities across our platform.

To support this goal, Hamilton Lane has joined a consortium to create Novata, a public benefit corporation that seeks to standardize and streamline ESG data collection and reporting in the private markets. The company is designed as an “on-ramp” for general partners to collect, store, report, and benchmark critical ESG metrics for their portfolio companies in a secure platform with an open-architecture model. We believe this will be instrumental in driving consistent reporting to LPs and robust decision making around ESG factors.





Current Investment Guidelines, Restrictions and Special Considerations

Environmental: We believe the actions we take today that affect our environment will impact us all. It is our collective responsibility to make thoughtful decisions that will safeguard our planet and preserve it for future generations. Companies that do not take this approach face the risk of public backlash and uneconomic business models when negative externalities are added to their costs. Greenhouse gas emission, pollution, natural resource consumption and waste management are all criteria that we evaluate and consider in our investment process. Furthermore, given the risks they pose to our planet and collective well-being, we do not invest in thermal coal, oil sands, or non-sustainable forestry practices. For further detail on Hamilton Lane's approach to environmental and climate risks and opportunities, please see our Climate Change Policy Statement.

Social: We believe all people, regardless of gender, sexual orientation, disability, race, ethnicity or nationality, are deserving of respect, inclusion, safe work environments and basic human rights. Employee diversity, workplace conditions, supply chain practices, consumer protections and broader societal impacts are criteria that we evaluate and consider in our investment process. Furthermore, given the risks they pose to our neighbours around the world, we do not invest in companies with material operations in controversial weapons (defined as chemical/biological, nuclear, cluster munitions and landmines), abusive lending practices, tobacco/nicotine products, pornography, or companies that could support animal cruelty, child labor, human trafficking or forced labor.

For further detail on Hamilton Lane's position on Modern Slavery, please see our statement [here](#).

Governance: We believe alignment of interests, fair compensation, transparency and accountability are crucial to generating long-term, sustainable performance. Ownership structures, voting rights, compensation, accounting practices and processes for dealing with conflicts of interest are critical to our underwriting process. Sound governance is the bedrock for implementing responsible investing across the "E" and the "S" components of ESG.

Special consideration and enhanced scrutiny are given to investments in areas with potentially higher ESG risks, such as mining, fossil fuel production, deforestation, alcohol, gambling and companies with operations in regions with a history of ESG abuses.

Across our managed accounts, we are able to customize these and other exclusions according to our clients' preferences and priorities, with the default option being our standard exclusions.

We are proud to report that Hamilton Lane received an "A" rating in the Strategy & Governance category in PRI's 2019/2020 Transparency Report.

*Due to challenges with the newly introduced UNPRI reporting tools, the 2020/2021 PRI scoring has been delayed.

