FLEXSTONE PARTNERS

Sustainable Investment Policy

January 2023

The Sustainable Investment Policy is completed by Flexstone Corporate Sustainability Policy provided as a separate document.

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PRINCIPLES & VALUES

Flexstone Partners ("Flexstone") is a global asset management and advisory firm offering investment solutions across all private markets. We are committed to integrating sustainability ("ESG": environmental, social and governance)[1] factors into our investment process and ownership, aligned with the financial and investment objectives of our clients.

By focusing on sustainability, the Firm believes it can build and manage investment portfolios which generate a superior, long-term, responsible performance by investing in ethically managed private assets.

The Firm also has appropriate governance structures in place to help ensure consistent implementation across the organization, and to help drive better risk-adjusted returns.

Given this view and the increased importance clients are placing on sustainability in their decision-making, Flexstone has sought to integrate core sustainability principles across its investment processes, in ongoing monitoring and reporting to key stakeholders, and across its corporate culture globally[2].

Flexstone's main **responsible investment objectives are the following**:

Deliver risk-adjusted returns: We seek to deliver superior, responsible performance by selecting investments with compelling track records and acceptable levels of risk, with a process that integrates sustainability across its three E, S and G dimensions.

Reduce exposure to material sustainability-related risks: We aim to reduce exposure to material sustainability-related risks ('material ESG risks') by integrating sustainability considerations into our investment process and assessing the sustainability practices and policies of General Partners (GPs), portfolio companies, and co-investments.

Raise awareness: We commit to raise awareness of responsible investing among our fund managers and to ensure that sustainability criteria are considered in all aspects of the investment process.

Help advance Fund Managers: We are committed to empowering fund managers to make responsible investment decisions; We designed a governance model to integrate sustainability considerations across all investments, including primary, secondary and co-investments.

Provide clients with portfolios that have strong sustainability credentials:

- Most of our clients have adopted sustainability principles as a part of their investment policies. On a client-by-client basis, we are committed to applying these principles in their private asset portfolios. We ensure that sectors excluded from their investment guidelines are excluded in the fund LPA or in Side Letters. Furthermore, the fund manager is committed to apply, on a best effort basis, the sustainability principles as stated in each client's investment policy.
- High quality fund managers and funds selected by Flexstone typically have strong sustainability credentials. As a result, even though they generally have limited resources to do so, fund managers selected by Flexstone tend to adhere to generally accepted sustainability principles even when they have not formally signed the UN PRI.

Transparency: We continually inform clients about their investments through a variety of means including periodic reporting and analytics about underlying portfolio companies' sustainability performance. We also commit to publishing an annual sustainability report on Flexstone's internal sustainability policies and practices, as well as the sustainability performance of our portfolios.

[1] 'Sustainability' and 'ESG' are used interchangeably

[2] Refer to Flexstone Corporate Sustainability Policy

TARGETED EXCLUSION POLICY

Flexstone Partners' exclusion policy ensures that all of Flexstone's investments align with the Firm's core values. The policy defines a list of excluded sectors and business activities that Flexstone believes are unethical and/or unsustainable, and applies to all of Flexstone's investments[3]. In some cases, additional sectoral exclusions may be applied in alignment with Flexstone's clients' exclusion policies.

Investments that meet the following criteria are excluded on a 'zero tolerance' basis:

(i) *Failure to comply with the Ten Principles of the UN Global Compact[4], which are derived from the Universal Declaration for Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption;*

(ii) *Failure to comply with the OECD Guidelines for Multinational Enterprises[5], which provide principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognized standards;*

(iii) *Activities involved in modern slavery of any kind (slavery, servitude, forced or compulsory labour, human trafficking);*

(iv) *Involvement in the production, sale, or distribution of controversial weapons, including cluster munitions, landmines[6], depleted uranium weapons, white phosphorus munitions, biological/chemical weapons, blinding lasers, non-detectable fragments, incendiary weapons, and nuclear weapons; and,*

(v) *The production, distribution, or sale of narcotics.*

In addition to the prohibited activities listed above, Flexstone seeks to minimize its exposure to the following sectors and business activities:

(i) *The operation of a gambling business or establishment;*

(ii) *The production, distribution, or sale of tobacco;*

(iii) *The production, distribution, or sale of conventional weapons[7], including but not limited to armoured combat vehicles, combat helicopters, combat aircraft, small arms and light weapons, ammunition, and artillery;*

(iv) *The financial speculation on food commodities;*

(v) *The financing of research relating to human cloning or genetically modified organisms;*

(vi) *The production, distribution, or sale of pornography;*

(vii) *Involvement in the extraction, refining, production, sale, or distribution of coal;*

(viii) *The extraction, refining, production, sale, or distribution of fossil fuels (including any involvement in Arctic onshore and offshore extraction); and,*

(ix) *The operation of nuclear power plants.*

Investment in companies involved in the sectors/activities listed above may be approved on a case-by-case basis, depending on the % of revenue that the company generates from the activity, and the level of ESG-risk identified during the due diligence process. All such prospective investments are carefully reviewed by

[3]Note that Flexstone's exclusion policy has significantly evolved over the last few years. Previously, Flexstone implemented the exclusion policy of its LPs, and therefore, investments made before the implementation of Flexstone's exclusion policy in March 2021 may have exposure to the sectors listed above.
[4] https://www.unglobalcompact.org/what-is-gc/mission/principles
[5] http://mneguidelines.oecd.org/guidelines/
[6] Including both anti-personnel mines (prohibited under the Ottawa Treaty adopted in 1997) and anti-vehicle mines
[7] As defined by the United Nations Office for Disarmament Affairs

the Firm's Sustainability Analyst and CCO to identify any material red flags, and to determine whether the company has in place effective measures to manage potential ESG-related risks.

Flexstone also excludes co-investments in companies that have their registered office or conduct a major part of their business in countries that are "Not Cooperating" in tax or anti-money laundering related matters, as defined by the Natixis AML-CTF country classification, and in countries identified as high-risk of corruption by the Transparency International Corruption Perceptions Index (CPI)[9].

For primary and secondary investments, Flexstone excludes funds that are invested in portfolio companies that have their registered office or conduct a major part of their business in countries that are not cooperating in tax-related matters[10], are identified as high-risk of corruption by the CPI, or that have strategic deficiencies in their AML/CTF regimes.

Flexstone requests that these exclusions be specified in the side letters signed negotiated with its GPs on a best-effort basis.

[9] The CPI ranks 180 countries and territories around the world by their perceived levels of public sector corruption on a scale of 0 (highly corrupt) to 100 (very clean). https://www.transparency.org/en/cpi/2021

[10] As defined by the European Commission, see Delegated Regulation (EU) 2016/1675

ESG Integration in the Investment Process

From the deployment phase of the investment strategy to its final liquidation, the funds and mandates managed by Flexstone are exposed to sustainability risks. Sustainability ('ESG') risks[12] are environmental, social, or governance risk factors or issues that can expose an investment to unexpected changes in its current and future financial, economic, reputational, and legal prospects. The omission of ESG risks from the investment process would result in an incomplete understanding of current or future financial prospects.

Therefore, Flexstone's investment professionals seek to identify and manage material ESG risks and opportunities by actively integrating E, S, and G factors in the investment process. The following process for assessing material ESG risks is applied systematically to all prospective investments during the pre-investment phase:

Source: Flexstone Partners

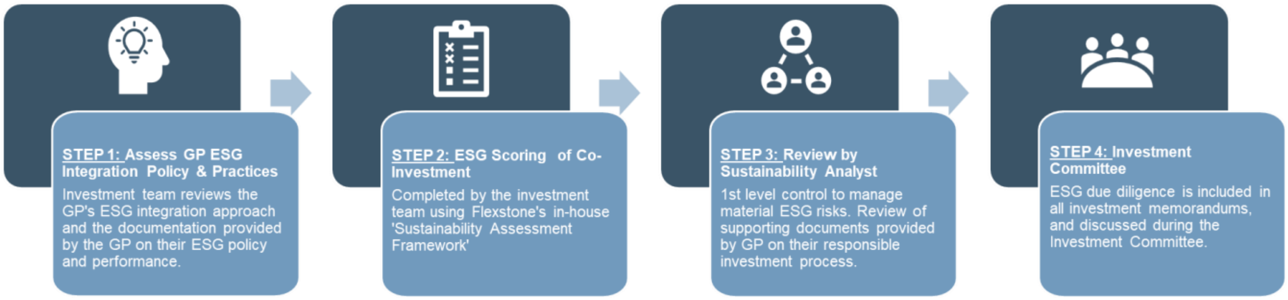
1. **Negative Screening:** All investments must comply with Flexstone's targeted exclusion policy[13]. The exclusion policy ensures that the investments made by Flexstone do not violate international human rights or business ethics standards (including the Ten Principles of the UN Global Compact[14] and the OECD Guidelines for Multinational Enterprises[15]), and that exposure to business activities and sectors that Flexstone believes to have negative environmental and/or social impacts is minimized (e.g., the tobacco industry).

2. **ESG Due Diligence:** Conducted by Flexstone's investment professionals and Sustainability Analyst to gain an in-depth understanding of the GP's ESG approach as well as the underlying portfolio company's consideration of ESG factors across its business operations. As a part of the due diligence process, Flexstone's investment team will carefully review all supporting documentation provided by the GP, including their ESG policies, due diligence reports, and risk management processes. The aim is to get a holistic view of the material ESG risks and opportunities associated with each investment and to identify any ESG red flags or controversies.

   All ESG assessments are reviewed by Flexstone's Sustainability Analyst before the analysis is presented to the Investment Committee in order to ensure a consistent, unbiased assessment of all prospective investments.

[12] Adapted from UN PRI Reporting Framework Glossary, https://www.unpri.org/reporting-and-assessment/reporting-framework-glossary/6937.article
[13] Note that Flexstone's Sustainable Investment Policy and Targeted Exclusion Policy were updated in 2022, and therefore the policy only applies to investments made after its implementation in February 2022. Specifically, the following additional business activities were included in Flexstone's exclusion policy in 2022: activities involved in deforestation and the production, sale, or distribution of nuclear weapons.
[14] https://www.unglobalcompact.org/what-is-gc/mission/principles
[15] http://mneguidelines.oecd.org/guidelines/

Pre-Investment Risk Management Process – ESG Due Diligence



3. **ESG Scoring:** Based on the findings of the ESG due diligence, all prospective investments are scored by the investment team using Flexstone's proprietary ESG assessment framework. GPs are scored on their general ESG integration approach, as well as specific environmental, social, and governance (ESG) criteria. For co-investments, the investment team also scores the underlying portfolio company using Flexstone's co-investment assessment framework, which is focused on the company's approach to ESG integration and exposure to material ESG risks. An overview of the assessment frameworks is provided below.

Flexstone Sustainability Assessment Framework ('Sustainability Scoring Matrix')

Main practices of funds with best-in-class ESG approach		Weak Flexstone score: 0% to 50%	Average Flexstone score: 50% to 80%	Strong Flexstone score: 80% to 100%
INTEGRATION	Integration: Transparency & rigor, based on a framework showing their principles (e.g. UN-PRI) and their accounting standards (e.g. SASB)	Limited integration into investments and/or portfolio management process	Integrated mostly into investment process, limited integration at portfolio level, varying attention accross fund cycle	Advanced integration across possibly all funds activities and across entire fund cycle
MEASUREMENT	Comprehensive measurement: Harmonized set of quantitative metrics that are material for portfolio comanies ans measures ESG KPI at the fund level	No or very limited metrics, mostly qualitative	Metrics in place but used on case-by-case basis, no harmonization and limited quantification	Fully or at least partially harmonized and quantified metrics across entire portfolio
REPORTING	Reporting: Clear quantitative target both at portfolio and company level so performances can be tracked over time	No or very limited reporting	Regular reporting in line with industry standards, focusing mostly on high level data	On-demand, granular reporting possible, allowing to clearly track ESG performance of the fund

Source: Flexstone Partners

Flexstone GP ESG Assessment Framework

The investment team scores the lead GP using Flexstone's proprietary sustainability framework for all prospective investments (primary, secondary, co-investment). The final score is on a scale from 0 (poor ESG integration) to 100 (strong, systematic ESG integration and monitoring across portfolio companies). The rating is based on four pillars: the GP's general approach to sustainability, which makes up 60% of the final score, as well as their approach to E, S, and G risks, which makes up 40% of the score.

The sustainability scoring matrix allows Flexstone to map each of its investment opportunities across three sustainability categories, based on the GP's final sustainability score: weak (0 – 50%), average (50% - 80%), and strong (80% to 100%).

I. **General GP ESG Integration (max. 14 points):** The 'General Integration' section is dedicated to evaluating GPs on their integration of sustainability factors in the investment process. Each GP is scored on a scale from 0 (no sustainability practices in place) to 6 (best practices applied systematically). The final score for this pillar is measured on a scale from 0 to 14, based on criteria such as the GPs ESG policy, dedicated ESG resources, reporting practices, and involvement in responsible investment market initiatives, namely the UN PRI. Note that for each of the required policies and investment processes listed below, the GP must provide the appropriate policies and proof of such processes to satisfy the criteria.

II. **Environmental (max. 3 points):** The 'Environmental' dimension of the framework assesses whether the GP monitors and reports on minimum standard environmental metrics and whether the GP is involved in any lawsuits stemming from environmental issues. The minimum standard environmental metrics considered are GHG emissions and waste treatment (hazardous waste and emissions to water), in alignment with PAI indicators 1, 8, and 9 as defined by the SFDR. The environmental score is measured on a scale from 0 to 3.

III. **Social (max. 3 points):** The 'Social' dimension assesses whether the GP has been involved in social controversies, including issues with excessive layoffs, labour rights, and environmental health & safety (EH&S), as well as whether the GP monitors standard social metrics of underlying portfolio companies. The standard social KPIs focus on gender diversity at portfolio company level, including unadjusted gender pay gap and board diversity, in alignment with PAI indicators 12 and 13. The social dimension is also scored on a scale from 0 to 3.

IV. **Governance (max. 3 points):** The 'Governance' dimension aims to ensure that the GP has a strong governance and assesses the GP's exposure to geographies that have a high risk of money laundering and corruption. This section of the GP assessment framework is completed by the investment team with the aid of Flexstone's Chief Compliance Officer (CCO). The governance dimension is also scored on a scale from 0 to 3.

Flexstone Co-investment ESG Assessment Framework

For co-investments, Flexstone also assesses company specific ESG risks and opportunities during the pre-investment period. Flexstone's investment professionals work together with the Firm's Sustainability Analyst to review all relevant ESG documents provided by the lead GP, including ESG due diligence reports, ESG action plans developed for the company, ESG reports, and any other company level documentation on their sustainability / ESG practices (i.e., the company's ESG policy, DEI commitments, involvement with non-profits, ESG-related certifications). The investment team assesses the company based on the provided documents, as well as the company's exposure to sub-industry specific ESG risks and opportunities based on the MSCI ESG Industry Materiality Map[16] ('Materiality Map').

The co-investment ESG score is based on the following criteria:

I. **Lead GP ESG Integration (max. 6 points):** Based on the lead GPs ESG approach according to Flexstone's GP ESG assessment framework, as explained above. For the co-investment ESG rating, the maximum score in this section is 6 points, from 'below average ESG integration practices' to 'strong, systematic integration of ESG risks and opportunities'. The scoring takes into account the GP level assessment score, ESG due diligence conducted by GP for co-investment, and ESG roadmaps developed by the GP. The roadmap should have clear, measurable targets to improve the company's ESG performance and risk management practices, and set a clear timeline for implementing the recommendations.

II. **Environmental (max. 4 points):** The environmental pillar of the co-investment assessment seeks to identify any material environmental risks and/or red flags, and to assess whether the company reports on minimum standard environmental metrics (GHG emissions, waste treatment). The investment team also uses the MSCI Materiality Map to identify the most material environmental risks and opportunities based on the sub-industry in which the company operates. The pillar is scored on a scale from 0 to 4.

III. **Social:** The social pillar of the co-investment assessment seeks to identify any material social risks and/or red flags, and to assess whether the company reports on minimum standard social metrics (gender diversity). The investment team also uses the MSCI Materiality Map to identify the most material social risks and opportunities based on the sub-industry in which the company operates The pillar is scored on a scale from 0 to 4.

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[16] MSCI ESG Industry Materiality Map

IV. **Governance:** The 'G' pillar of the co-investment assessment seeks to ensure that the portfolio company has proper governance practices in place, and to identify any material governance risks. Based on the MSCI Materiality Map, the investment team also assesses the sub-industry exposure to material governance risks such as business ethics, tax transparency, and ownership & control issues. The pillar is scored on a scale from 0 to 4.

Flexstone's sustainability team may also produce custom ESG assessments when the existing framework is not applicable to a prospective investment, for example in the case of secondary funds.

4. **Negotiation of Contractual ESG Clauses:** ESG Side Letters and LPAs are negotiated on a best effort basis to ensure that all investments align with the six Principles for Responsible Investment defined by the UN. These clauses may also ask the GP to respond to Flexstone's annual ESG data collection campaign with reasonable effort, and to encourage underlying portfolio companies to consider E,S, and G factors in their business activities.

5. **Monitoring & Reporting of ESG KPIs:** By leveraging Reporting 21, a leading SaaS platform, Flexstone investment teams are able to systematically collect, monitor, and report on a wide range of ESG KPIs for GPs and the underlying fund portfolio companies. The first Reporting 21 ESG data collection campaign was launched in February 2022. Flexstone will collect this data on an annual basis, and will use the data as a part of its ESG risk management process.[17]

   Moreover, Flexstone is currently developing custom ESG factsheets on the Reporting 21 platform. This will allow Flexstone to generate dedicated ESG 'factsheets' at GP, portfolio company, and fund level.

[17] As a Limited Partner and a Minority Investor, Flexstone Partners depends on its GPs to collect, monitor, and report extra-financial data at GP and portfolio company level. Therefore, Flexstone conducts its Reporting 21 data collection campaign on a best-effort basis, but can not guarantee the quality and quantity of the data reported by GPs.

CONTRACTUAL CLAUSES ON RESPONSIBLE INVESTMENT PRACTICES

Flexstone negotiates responsible investment and/or ESG-related clauses in Side Letters on a best-effort basis.

Generally, such clauses will request the GP to take reasonable efforts to respect the six Principles for Responsible Investment defined by the UN, consider ESG factors in the investment process, and to answer ESG data requests from Flexstone on a best-effort basis.

In addition to Flexstone's internal sustainable investment policy, Flexstone is committed to aligning its investments with the ESG policies and principles of its clients. In order to ensure that GPs acknowledge and comply with clients' policies, Flexstone integrates specific ESG clauses that align with the specific ESG criteria defined by its clients.

Side Letters are negotiated at entry according to the responsible investment policies that are in place at the time of investment. As Side Letters are linked to the underlying investment by-laws, it is usually not possible to re-negotiate them once the investment has been completed. Similarly, new Side Letters are generally not negotiated for secondary investments.

MONITORING & REPORTING ESG KPIS

In February 2022, Flexstone launched its first annual data collection campaign on the Reporting 21 platform with the objective of monitoring, analysing, and reporting on the ESG performance and practices of its GPs and portfolio companies. The data collection campaign includes a range of ESG KPIs, and is designed to align with international sustainability disclosure frameworks and regulations such as the SFDR, ILPA, and the EU Taxonomy.

Flexstone developed the data collection campaign in partnership with Sirsa, a consulting firm specialized in sustainable transformation, and will update the questionnaire on an annual basis according to regulatory requirements and industry best practices. Since the data will be collected on an annual basis, Flexstone will be able to use it to identify key areas for improvement and to monitor the progress made by GPs and portfolio companies towards set ESG objectives.

It is important to note that the Reporting 21 campaign is conducted on a best-effort basis. However, monitoring GPs' response rates is a useful indicator in itself as it allows Flexstone to identify which GPs have in place effective processes for managing ESG risks, as well as for monitoring and reporting on the ESG performance of the underlying portfolio companies.

ENGAGEMENT POLICY

Engagement with General Partners

Flexstone seeks to maintain regular dialogue with GPs on their approach to responsible investment to gain an in-depth understanding of their ESG due diligence and risk management processes. Moreover, engaging in dialogue with GPs on Flexstone's annual ESG Reporting 21 data collection campaign has allowed Flexstone to gain an awareness of the key challenges faced by GPs in the collection, monitoring, and reporting of extra-financial data (e.g., portfolio company carbon footprint).

For co-investments, Flexstone's investment professionals sometimes organize dedicated calls to discuss the GPs' approach to responsible investment, as well as the underlying portfolio company's exposure to potential material E, S, and G risks and/or opportunities identified during the ESG due diligence process.

Limited Partner Advisory Committees

Flexstone Partners' investment professionals hold over 100 Limited Partners Advisory Committee (LPAC) seats. This allows Flexstone to engage with GPs on their approach to identifying and managing material ESG risks and opportunities associated with underlying portfolio companies.

In order to ensure that sustainability is integrated as a part of Limited Partner Advisory Committees (LPACs) and Annual General Meetings (AGMs), Flexstone's investment professionals track whether sustainability is included on the agenda of AGMs and LPACs that they attend. These reports as well as any relevant resources are submitted to the Sustainability Analyst on a quarterly basis, with the objective of gaining a better understanding of how sustainability is integrated by GPs at management company and portfolio company level.

The investment team also shares any relevant ESG-related updates provided during the Committee meetings with Flexstone's Sustainability Analyst.

SUSTAINABLE FINANCE DISCLOSURE REGULATION

Principal Adverse Impacts

No consideration of adverse impacts of investment decisions on sustainability factors

Article 4 of the SFDR (‘Transparency of adverse sustainability impacts at entity level’), Regulation (EU) 2019/2088[18], is related to the publication of sustainability information in the financial sector. Article 4 provides that financial market participants publish on their website information on where they do and do not consider principal adverse impacts (PAIs) of investment decisions on sustainability factors on a ‘comply or explain’ basis.

As of November 2022, Flexstone does not consider the PAIs of its investments on sustainability factors in its investment process or decision making. This is because Flexstone is not yet able to monitor all the required PAI indicators; as a Limited Partner, or a minority investor in the case of co-investments, Flexstone depends on its GPs and the underlying portfolio companies to monitor and report on the PAIs. Therefore, Flexstone will choose to ‘explain’ until all of its GPs are tracking the required indicators, and to use its best efforts to support its GPs in improving the quality and quantity of this data.

Flexstone’s Reporting 21 data collection campaign for the financial year 2021 included 13 out of the 14 mandatory principal adverse impact indicators[19], with the objective of formalizing a systematic, annual data collection process and helping GPs prepare for upcoming sustainability disclosure requirements. The remaining PAIs will be integrated in Flexstone’s annual data collection campaign in 2023.

Sustainable Finance Disclosure Regulation (SFDR) Remuneration Policy

Article 5 of the SFDR (‘Transparency of renumeration policies in relation to the integration of sustainability risks’), Regulation (EU) 2019/2088, provides for the publication of information on the integration of sustainability risks within the remuneration policy in the financial sector. The aim is to understand if firms encourage the integration of sustainability risks within investment decision or consulting processes.

Information on the integration of sustainability criteria within Flexstone’s remuneration policy can be found on Flexstone’s website.

[18] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32019R2088

[19] With the exception of co-investments, for which 11 out of 14 indicators were included in Flexstone’s Reporting 21 campaign. The excluded PAI indicators were PAI indicators 4 and 14. However, these indicators were included in Flexstone’s annual ESG information request for co-investments.

Governance and Escalation Process

Compliance with Flexstone's sustainability policy and applicable sustainable investment regulations is included in Flexstone's control plan.

Investment teams

Flexstone's investment professionals are responsible for considering sustainability-related factors during the investment process, and are committed to the following actions:

Taking a consistent approach to assessing material sustainability-related risks during the due diligence phase for each prospective investment;

Encouraging GPs to consider material sustainability-related risks and opportunities during the investment process, and to promote sustainable business practices to underlying portfolio companies; and,

Monitoring the development of GPs' responsible investment practices as well as the progress of underlying portfolio companies against set ESG-related objectives, notably through Flexstone's annual Reporting 21 ESG data collection campaign.

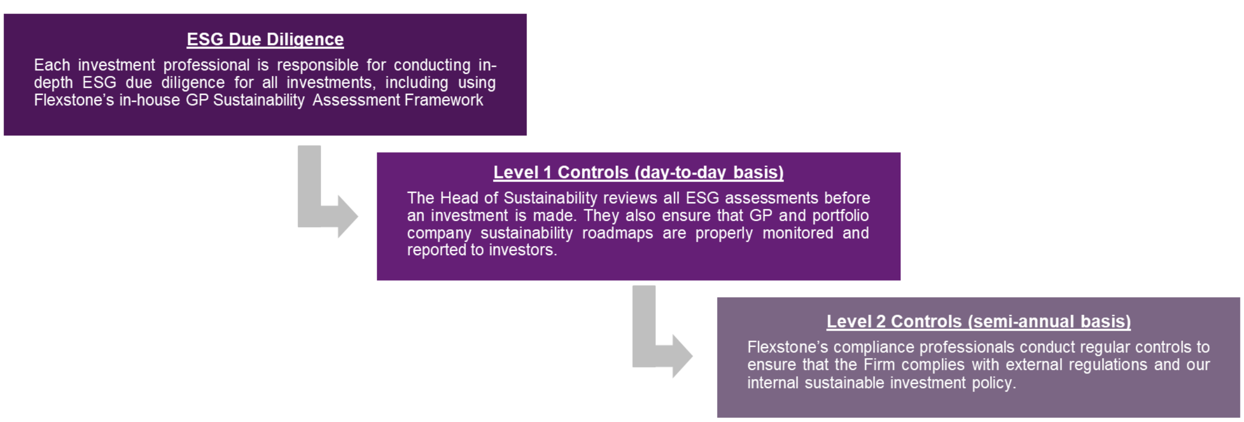
Sustainability Controls & Escalation Process

In order to ensure compliance with Flexstone's internal sustainable investment policy and any relevant sustainable investment regulations such as the SFDR and the EU taxonomy, Flexstone has implemented a **sustainability governance and escalation process.** The governance strategy includes the following controls:

Level 1 Controls: Carried out by Flexstone's dedicated Sustainability Analyst on a day-to-day basis. The Analyst reviews all ESG assessments and investment memorandums completed by the investment team in order to ensure consistent ESG integration and analysis.

Level 2 Controls: Carried out by the CCO on a semi-annual basis to ensure that Flexstone complies with all relevant sustainability regulations and internal policies. Flexstone's CCO works together with the Firm's Sustainability Analyst to ensure that all investments are systematically assessed using Flexstone's ESG framework, and that ESG roadmaps and controversies are monitored on a regular basis.

Flexstone's Responsible Investment Governance – ESG Due Diligence & Controls



Escalation Plan

When a member of the investment team identifies any incident or deficiency in relation to sustainability (such as a policy violation, ESG regulatory breach or ESG-related controversy), they immediately inform Flexstone's Sustainability Analyst, the Head of Sustainability, and the CCO.

When Flexstone's Sustainability Analyst identifies an anomaly, she notifies the CCO and the Head of Sustainability immediately.

The CCO reports any unresolved deficiency to Flexstone management and Sustainability Analyst. If the deficiency is material or involves a financial loss or a reputational risk, it is also reported to Natixis Investment Managers and if required by regulation to the relevant authorities.

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Flexstone Partners ("Flexstone")[1] is a leading investment solutions provider in private assets with a global reach and local footprints in New York, Paris, Geneva, and Singapore. It specializes in the selection of private equity, private debt, real estate, and infrastructure fund managers for investment by Flexstone's clients. Flexstone manages primary and secondary investments as well as co-investments. Flexstone's expertise is distinguished by a high flexibility in building customized portfolios that are tailored to the unique needs and constraints of each investor whether institutional or private individual[2]. Flexstone offers a large range of services, from advising on private assets portfolio construction to the management of fully discretionary separate accounts and funds of funds. Flexstone, with more than 40 professionals, manages $10 billion[3]. It is a majority owned subsidiary of Natixis Investment Managers, one of the largest investment managers worldwide.

Further information: www.flexstonepartners.com

1 - Flexstone is the name that collectively identifies Flexstone and its underlying companies.
2 - Under certain conditions related to marketing and prospection regulatory requirements specific to each entity.
3 - Source: Flexstone Partners at 31/12/2021. Assets under management and advisory made up of commitments for closed-end private placement funds, and sum of Net Asset Value and unfunded commitments otherwise.

GLOSSARY OF TERMS

Sustainable investment is defined as an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water, and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy; or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. (Regulation (EU) 2019/2088, *Article 2 (17)*)

Sustainability ('ESG') risk is defined as an environmental, social, or governance event or condition, that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. (Regulation (EU) 2019/2088, *Article 2 (22)*)

Sustainability ('ESG') factors are environmental, social, and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. (Regulation (EU) 2019/2088, *Article 2 (24)*)

Material ESG factors have a substantial impact on the current and future financial, economic, reputational, and legal prospects of an issuer, security, investment, or asset class. At a corporate or issuer level, the disclosure of a material ESG issue or factor would be reasonably expected by investors, as its omission would result in an incomplete understanding of current or future financial prospects. (UN PRI)

ESG Integration is the process of including ESG factors in investment analysis and decisions to better manage risks and improve returns. It is often used in combination with screening and thematic investing. (UN PRI)

EU Taxonomy for Sustainable Activities is a classification system, establishing a list of environmentally sustainable economic activities. The Taxonomy Regulation was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020. It establishes the basis for the EU taxonomy by setting out 4 overarching conditions that an economic activity has to meet in order to qualify as environmentally sustainable.

The Taxonomy Regulation also establishes the following six environmental objectives: climate change mitigation, climate change adaption, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. (The EU Commission)

Sustainable Finance Disclosure Regulation (SFDR) was adopted by the European Commission in spring 2019 and published in the Official Journal on the 9th of December 2019. The regulation came into effect on the 10th of March 2021.

The disclosure regulation lays down sustainability disclosure obligations for manufacturers of financial products and financial advisors towards end-investors. In addition, the co-legislators added disclosure obligations for adverse impacts ('principle adverse impacts') on sustainability matters at entity and financial product levels, i.e., whether financial market participants and financial advisers consider negative externalities on environment and social justice of the investment decisions/advice and, if so, how this is reflected at the product level. (The EU Commission)

UN Sustainable Development Goals (SDGs) are at the heart of the 2030 Agenda for Sustainable Development adopted by all United Nations Member States in 2015. The SDGs are an urgent call for action by all countries – developed and developing – in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests. (UN PRI)