Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: ThomasLloyd Energy Impact Trust plc
Legal entity identifier: 254900V23329JCBR9G82

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☒ Yes	☐ No
☒ It will make a minimum of 95% **sustainable investments with an environmental objective:**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

ThomasLloyd Energy Impact Trust Plc (TLEI) is a renewable energy investment trust providing direct access to sustainable energy infrastructure in fast-growing and emerging economies in Asia. In line with TLEI's triple return objectives, which aim to provide financial, environmental and social returns, the investments support the environmental objective of climate change mitigation as set out in Article 9 of the EU Taxonomy by generating, transmitting, storing, distributing or using renewable energy. TLEI's investments in sustainable energy target countries where greenhouse gas (GHG) emissions are growing rapidly. The investments address the climate change mitigation priorities set out in those countries' Nationally Determined Contributions under the Paris Agreement on Climate Change, as well as their efforts to achieve the Sustainable Development Goals (SDGs), by avoiding GHG emissions and having a positive effect on the communities in which they work.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

TLEI's investments substantially contribute to climate change mitigation as reflected in the technical screening criteria listed in section 4 Annex 1 regulation 2021/2139. The construction and operation of new renewable energy infrastructure in Asia helps improve energy access and security, create jobs, and avoid GHG emissions. These positive impacts are measured using the following key indicators, which align with SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action):

Installed renewable capacity – MW
Renewable energy generated – MWh
CO_2 emissions avoided – CO_2e tonnes

Supplementary sustainability indicators linked to additional Goals including but not limited to, SDG 8 (Decent Work and Economic Growth) such as employment opportunities created – number of full-time jobs, and SDG 11 (Sustainable Cities and Communities) such as air pollution (NOx, SOx, PM 2.5) avoided, are also included in periodic reporting.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

Environmental, social and governance (ESG) considerations are integral to TLEI's overarching investment objective, and TLEI's investment manager's (the "Investment Manager") environmental and social policies draw on the International Finance Corporation's environmental and social performance standards. These policies provide a framework that helps identify and manage potential significant harm to any environmental or social objectives, including water; biodiversity and ecosystems; circular economy; pollution prevention.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Data related to the mandatory indicators for Principle Adverse Impacts listed under Table 1 Annex 1 of regulation 2022/1288 are being collected, and these considerations are reflected in investment due diligence. These indicators are also monitored continuously over the life of an investment.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

TLEI engages with investee companies to align with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Human rights, equality and anti-bribery and corruption issues are assessed as part of investment screening and company engagement, in line with the Investment Manager's own policies, drawing on third party data (such as media databases) and external advisory inputs where necessary such as auditor reports.

Do*es this financial product consider principal adverse impacts on sustainability factors?*

- [x] Yes
- [ ] No

The issues addressed by the PAIs are generally covered by the Investment Manager's ESG and Stewardship policies, and considered through all stages of the investment process. Prior to an investment, material issues related to environmental social and governance issues are assessed; post acquisition, the Investment Manager supports investee companies to ensure that they have appropriate systems in place to measure and manage these impacts. Although it is an FMP with less than 500 employees in 2021 and 2022, the Investment Manager is committed to reporting on the mandatory PAI indicators in Table 1 Annex 1 regulation 2022/1288 for the investments made under this financial product. These will be disclosed in 2023 reflecting data collection best efforts, and cross-referenced in TLEI reports. This reporting will inform efforts to improve performance with respect to the PAIs through the implementation of the investment strategy.

What investment strategy does this financial product follow?

TLEI invests in a diversified portfolio of sustainable energy infrastructure assets in fast-growing and emerging economies in Asia. The company only invests in countries that the Investment Manager considers to have a sufficiently stable political system, and transparent and enforceable legal system, recognizing the rights of foreign investors.

The aim is to build a diversified portfolio of assets in the areas of renewable energy generation (including solar, biomass and wind), transmission infrastructure, energy storage and sustainable fuel production. Investments are designed to reflect, inform and evolve with relevant legislation and government policy developments. In addition to investing in operational assets (largely with government or quasi-government offtake agreements in place), TLEI will seek to generate additional value for shareholders through investing in construction-ready or in-construction projects. However, TLEI will only invest in pre-operational assets where (i) an offtake agreement is already in place (ii) where appropriate, the land on which the project is situated has been identified or contractually secured, and all relevant permits or licenses have been granted. The offtake agreements typically benefit from long-term fixed-price power purchase agreements, capacity contracts or other similar revenue contracts with creditworthy (primarily investment grade) public or private sector buyers.

Some funds may be held in cash awaiting deployment in future sustainable investments or to support the operational working capital or financing of sustainable investments. Currency and interest hedging may be carried out to seek to provide protection to the level of dividends and other distributions that TLEI aims to pay on its shares, and in order to reduce the risk of currency fluctuations and the volatility of returns that may result from such currency exposure. Any relevant measures to this effect will be specified in forthcoming periodic disclosures.

TLEI will aim to invest directly, often taking a majority ownership of assets and projects, although where there are non-controlling interests, the Company will only invest with trusted co-shareholders who share the aims, drivers and values to TLEI and the Investment Manager.

- ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

All sustainable investments must (i) meet the criteria for EU Taxonomy alignment (ii) deliver on at least one of the key sustainability indicators set out above and (iii) adhere to the Investment Manager’s environmental, social and governance policy requirements (as updated from time to time). TLEI will not invest in coal-fired or nuclear power plants, oil and gas projects, or any investments that do not materially align with its defined ESG Standards. The Investment Manager engages investee companies on an ongoing basis, including a formal quarterly meeting to discuss key sustainability indicator achievements and principal adverse impact indicator data, to monitor implementation of the strategy, and enable attainment of the sustainability objective. The full investment strategy is detailed in the TLEI prospectus.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

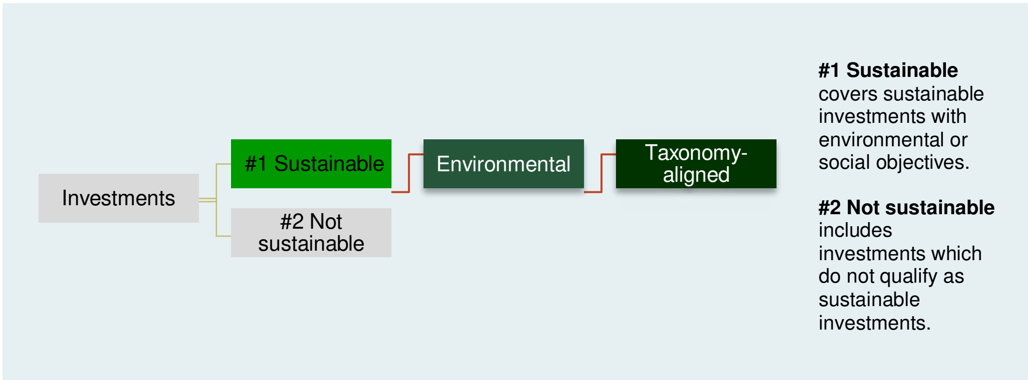
What is the policy to assess good governance practices of the investee companies?

Good corporate governance of investee companies is a critical dimension of investment screening processes, investee company engagement, and the Investment Manager's ESG policy. Key considerations include compliance with required accounting and reporting standards; human resource policies and practices including non-discrimination and fair pay; health and safety standards and worker protections; anti money laundering and prevention of bribery and corruption policies and practice. The operational activities of a prospective investee company, its track record, affiliations and standing including in the local community are reviewed. The Investment Manager uses its ownership stake in investee companies to strengthen governance, and general ESG practice.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation and the minimum share of sustainable investments?

TLEI invests in sustainable energy solutions and infrastructure assets that align with the EU Green Taxonomy environmental objective of climate change mitigation. TLEI aims for up to 100% of its investments to be used to meet its sustainable investment objective, in accordance with the binding elements of the investment strategy. On an ongoing basis, however, cash may be held awaiting deployment in future sustainable investments (e.g. following the receipt of IPO or placement proceeds or disposal of investments). Assuming this cash had been substantially deployed, up to 5% of funds may be held in cash for operational purposes, future liquidity management and hedging programmes, including to mitigate the effect of foreign exchange currency fluctuations on non-USD denominated dividend income. Up to 100% of the sustainable investments may be held indirectly through Special Purpose Vehicles and intermediate entities, in line with the investment strategy set out above.



How does the use of derivatives attain the sustainable investment objective?

Not applicable.

Taxonomy-aligned activities are expressed as a share of:

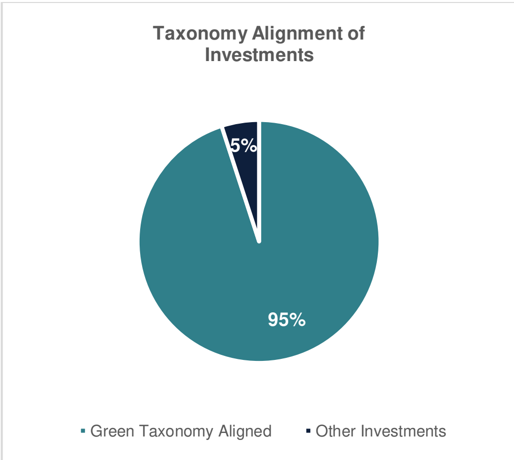
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g., for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

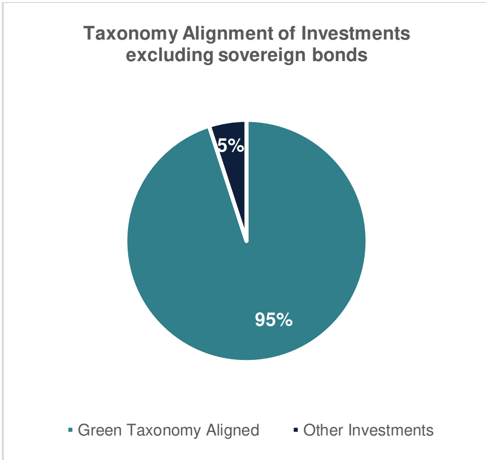
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

TLEI aims for 100% alignment of sustainable investments with the EU Taxonomy, and invests only in sustainable energy solutions specified as substantially contributing to climate change mitigation. Specifically, TLEI will invest in activities listed under section 4 of Annex 1 (notably 4.1 electricity generation using solar photovoltaic technology, and 4.3. Electricity generation from wind power, 4.8. Electricity generation from bioenergy). TLEI's sustainable investments will (i) substantially contribute to climate change mitigation, (ii) not significantly harm any other environmental objectives under the EU Taxonomy, (iii) be aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, and (iv) adhere to the technical screening criteria specified for the respective economic activity under section 4 Annex 1 of regulation 2021/2139.

At the time of publication of this pre-contractual disclosure, TLEI only has investments in economic activities under section 4.1 Annex 1 of regulation 2021/2139 (electricity generation using solar PV technology). To ensure no significant harm to biodiversity and ecosystems, environmental screening is conducted for all investments, reflecting the Investment Manager's ESG policies (which align with the IFC Performance Standards) and national law. New physical climate risk and vulnerability assessments and associated management plans are being completed for all existing investments. The alignment of existing investments with the taxonomy is substantiated by in-house experts, on the basis of inputs from third party technical advisors, publicly available information, information provided directly by investee companies, as well as third party data sources. This consistency will be assessed through the project due diligence process prior to making new investments. Consistency is also affirmed through oversight throughout the life of an investment. The Investment Manager may appoint third parties to assure taxonomy alignment of its investments, and will include further details when it publishes its periodic Article 9 disclosure for this financial product.

TLEI has no sovereign bond exposures. The percentage of taxonomy-aligned activities will be assessed on the basis of turnover from economic activities of investee companies aligned with the EU Taxonomy. Up to 5% of funds may be held as cash (excluding cash held awaiting deployment in future sustainable investments) for operating purposes including liquidity and hedging, as reflected in the graphs below.





**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

0%

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

TLEI aims for 0% investments that are not aligned with the EU taxonomy as detailed above. Up to 5% of funds may be held as cash for operational purposes, future liquidity management and hedging as detailed above.

What is the minimum share of sustainable investments with a social objective?

Not applicable for Article 9 classification purposes. All TLEI investments aim to have a positive effect on the communities in which they work, and support social development.

What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

Up to 5% of funds may be held in cash for operational purposes, future liquidity management and hedging programmes, including to mitigate the effect of foreign exchange currency fluctuations on non-USD denominated dividend income. Minimum environmental and social safeguards are not applicable to these investments.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Not applicable, as TLEI does not use any reference benchmarks.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**

  Not applicable.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

  Not applicable.

- **How does the designated index differ from a relevant broad market index?**

  Not applicable.

- **Where can the methodology used for the calculation of the designated index be found?**

  Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://tlenergyimpact.com/impact/