ThomasLloyd
ENERGY IMPACT TRUST PLC

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Sustainable Finance Disclosure Regulation (SFDR)
Article 9 Website Disclosure

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Contents

A. Summary

Objective: ThomasLloyd Energy Impact Trust Plc ("TLEI" or the "Company") is a renewable energy investment trust providing direct access to sustainable energy infrastructure in fast-growing and emerging economies in Asia. 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 impact in the communities where it invests.

No significant harm: Environmental, social and governance (ESG) considerations are integral to TLEI's and its investment manager's ("TLG" or the "Investment Manager") environmental and social policies and standards which draw on the International Finance Corporation's environmental and social performance standards. EU Taxonomy Do No Significant Harm criteria and technical screening guidance as well as the relevant principal adverse impacts (PAIs) on sustainability factors listed in Annex I of Commission Delegated Regulation (EU) 2022/1288 ("SFDR RTS") have expressly been integrated into the Investment Manager's proprietary ESG materiality assessment tools for assessing prospective investments. The Investment Manager engages with investee companies to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights.

Investment strategy: TLEI aims to build a diversified portfolio of assets in the areas of renewable energy generation. TLEI may invest in operational assets (largely with government or quasi-government offtake agreements in place) or in construction-ready or in-construction projects. Investments in pre-operational assets only take place 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 (iii) all relevant permits or licenses have been granted. TLEI aims to invest directly, often taking sole or a majority ownership of assets and projects. Where there are non-controlling interests, the Company will only invest with trusted co-shareholders who share TLEI's and the Investment Manager's aims, drivers and values. All investments must (i) meet the criteria for EU Taxonomy alignment (ii) deliver on at least one of the key sustainability indicators set out in section F below and (iii) adhere to the Investment Manager's ESG policy requirements (as updated from time to time).

Proportion of investments: TLEI aims for up to 100% of its investments to be used to meet its sustainable investment objective. On an ongoing basis, however, cash may be held awaiting deployment in future sustainable investments. In addition, up to 5% of funds may be held in cash for operational purposes, including future liquidity management and hedging programmes. TLEI aims for 100% of its sustainable investments to align with the EU Green Taxonomy Objectives of Climate Change Mitigation and associated Screening Criteria, and may also support additional EU Taxonomy environmental objectives such as the transition to a circular economy. Alignment is substantiated by in-house experts, primarily using information provided directly by investee companies and inputs from third party technical advisors, complemented with publicly available information. TLEI's investments also aim to make a measurable contribution to social development, making a positive contribution to the communities where it invests.

Monitoring of sustainable investment objective: TLEI uses a range of key sustainability indicators to monitor progress in achieving its sustainability objectives, including Installed renewable energy capacity, amount of renewable energy generated and sold to offtakers and the amount of GHG emissions avoided. These KPIs align with SDG 7 (Clean and Affordable Energy) and SDG 13 (Climate Action). These indicators are used throughout the investment process, including to identify and screen prospective investments and as a key criterion for their management during ownership. Progress towards these sustainability indicators is included in both interim reporting and annual reporting.

Methodologies, data sources and processing and limitations: Chosen methodologies reflect industry standards as captured in the IRIS+ framework (catalogue of metrics) wherever possible. All GHG accounting metrics reflect the approach of the Partnership for Carbon Accounting Financials and the Greenhouse Gas Protocol. The Investment Manager relies on data provided directly by its investee companies, collected through systems that have recently been strengthened with the support of third party expert service providers.

Due diligence and engagement: TLEI invests using an integrated ESG investment approach, measuring and monitoring its impact against intended sustainable development objectives. All prospective investments will be screened for their adherence with the sustainability objective, EU Taxonomy Do No Significant Harm Criteria, and relevant PAI considerations using the Investment Manager's proprietary materiality assessment tools that build on established industry frameworks. The Investment Manager aims to ensure the integrity, sustainability and verifiability of its impact, and regularly reviews and improves its approach to impact measurement and management.

B. No significant harm to the sustainable investment objective

ESG considerations are integral to TLEI's overarching investment objective, and the Investment Manager's environmental and social policies and standards 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, and pollution prevention.

EU Taxonomy Do No Significant Harm criteria and technical screening guidance as well as the relevant PAIs on sustainability factors listed in Annex I of Commission Delegated Regulation (EU) 2022/1288 have expressly been integrated into the Investment Manager's proprietary ESG materiality assessment frameworks for prospective investments. The Investment Manager is a signatory of the Partnership for Carbon Accounting Financials (PCAF), and will account for its GHG emissions in line with PCAF Accounting and Reporting Standards.

How are the indicators for adverse impacts in Table 1 of Annex I of the SFDR RTS, and any relevant indicators in Tables 2 and 3 of that Annex, taken into account?

PAI indicators are taken into account pre- and post-investment as follows:

Pre-investment: The Investment Manager screens all prospective investments for their potential PAIs. As part of investment due diligence, key issues and data related to the mandatory PAI indicators in Table 1 are considered, as are relevant issues from Tables 2 and 3 of Annex I. As noted above, the Investment Manager has integrated these issues into new proprietary ESG materiality assessment tools for prospective investments.

Post-investment: The Investment Manager collects data related to the mandatory indicators for PAIs listed under Table 1 of Annex 1 on a quarterly basis as part of the formal ESG reporting exchange with investee companies.

Although it is a Financial Market Participant with less than 500 employees, the Investment Manager is committed to using best efforts to obtain and disclose data on the PAI indicators directly from investee companies, and has engaged external experts to support it to assure its data collection systems. Where the Investment Manger observes material changes, it will engage investee companies on opportunities to improve performance or replicate observed successful practices. The TLEI Annual Report and Sustainability Report will include key insights from these efforts.

Is the sustainable investment aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Investment Manager engages investee companies to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights (including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of 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 and standards, drawing on third party data (such as media databases) and external advisory inputs where necessary such as auditor reports.

C. Sustainable investment objective of the financial product

What is the sustainable investment objective of the financial product?

TLEI is a renewable energy investment company providing direct access to sustainable energy infrastructure in fast-growing and emerging economies in Asia. In line with TLEI's triple return objectives 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 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.

D. Investment strategy

What is the investment strategy used to attain the sustainable investment objective?

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, recognising 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 seeks to generate additional value for shareholders through investing in construction-ready or in-construction projects. However, TLEI only invests 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 (iii) 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 aims to invest directly, often taking sole or a majority ownership of assets and projects. Where there are non-controlling interests, the Company will only invest with trusted co-shareholders who share TLEI's and the Investment Manager's aims, drivers and values.

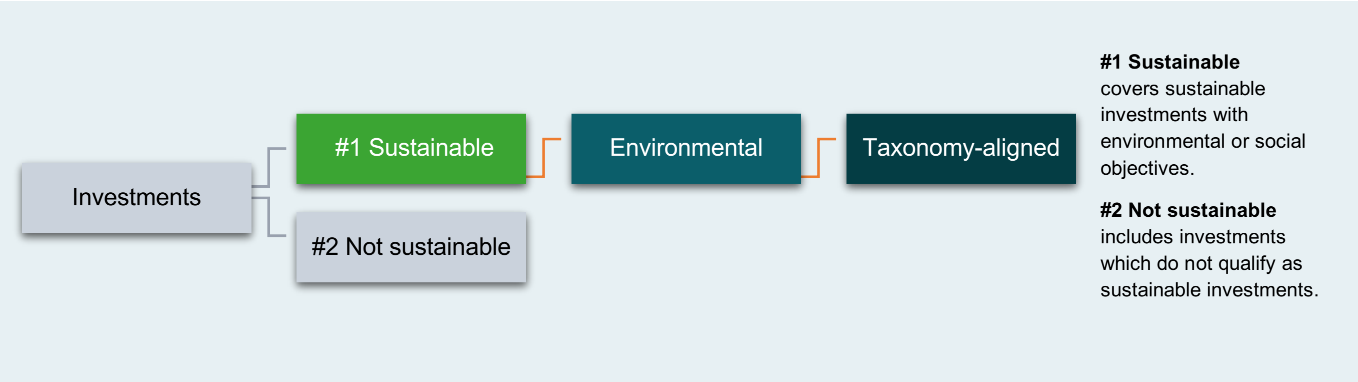
All investments must (i) meet the criteria for EU Taxonomy alignment, (ii) deliver on at least one of the key sustainability indicators set out in Section F below and (iii) adhere to the Investment Manager's ESG policy requirements (as updated from time to time). TLEI will not invest in coal-fired or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

What is the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance?

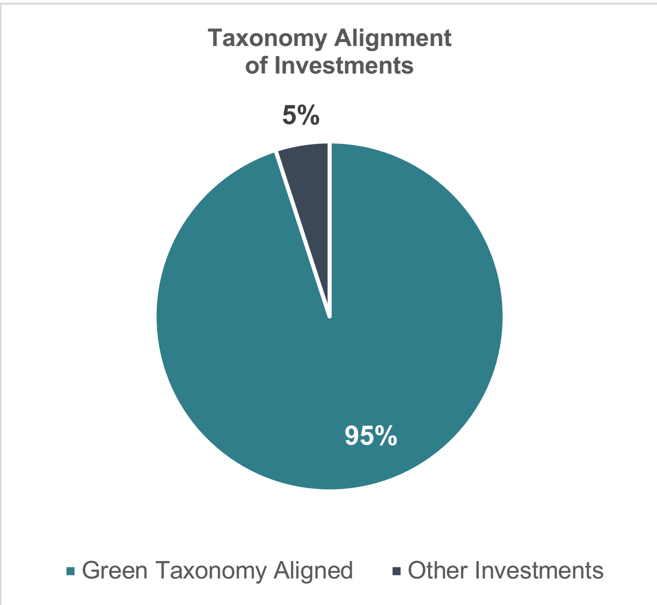
Good corporate governance of investee companies is a critical dimension of investment screening processes, investee company engagement and the Investment Manager's ESG policy. Key considerations include: compliance with required accounting and reporting standards; human resource policies and practices, including non-discrimination and fair pay; health and safety standards and worker protections; and 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.

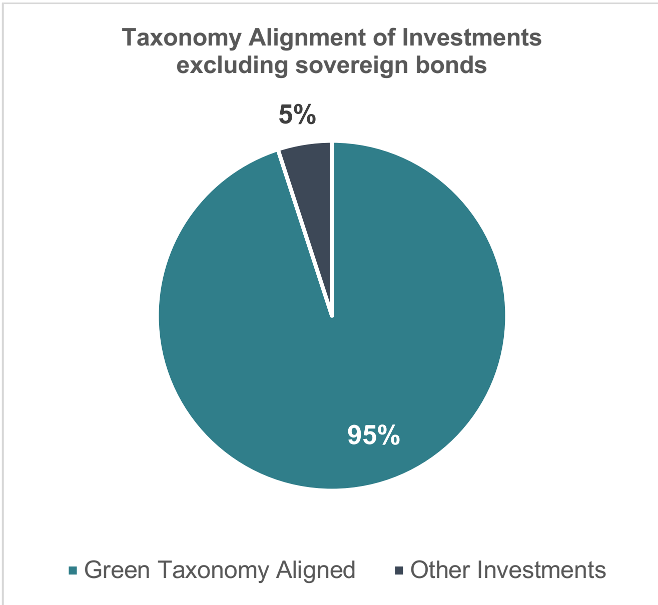
E. Proportion of investments

TLEI invests in sustainable energy solutions and infrastructure assets that align with the EU 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 fund raising proceeds or disposal of investments). In addition, 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 in section D above.



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





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

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes

  ☐ In fossil gas

  ☐ In fossil gas

☒ No

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, 4.3. Electricity generation from wind power and 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 of Annex 1. In some cases, there may also be substantial contributions to the EU Taxonomy Objective of transitioning to a circular economy.

To ensure no significant harm to biodiversity and ecosystems, environmental screening is conducted for all investments, reflecting the Investment Manager's ESG policies and standards (which align with the IFC Performance Standards) and national law. By December 2022 new physical climate risk and vulnerability assessments had been completed for all existing TLEI investments.

The alignment of existing investments with the EU Taxonomy is substantiated by the Investment Manager's in-house experts, on the basis of inputs from third party technical advisors, publicly available information and 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. At this time, the Investment Manager has not appointed third parties to assure EU Taxonomy alignment of TLEI's investments.

TLEI has no sovereign bond exposures. The percentage of EU 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 above.

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

0%

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

0%

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.

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.

F. Monitoring of the sustainable investment objective

How are the sustainable investment objective and the sustainability indicators used to measure the attainment of the sustainable investment objective monitored throughout the lifecycle of the financial product?

TLEI uses a range of sustainability indicators to measure the attainment of its sustainable investment objective, notably the following Key Performance Indicators (KPIs):

Installed renewable energy capacity – MW
Energy Generated for Sale: Renewable (IRIS+ Metric PI5842) Amount of renewable energy generated and sold to offtaker(s) during the reporting period – MWh
GHG emissions avoided (IRIS+ metric PI2764) Amount of GHG emissions in CO_2e avoided by the organisation during the reporting period. Calculated using the approach of the Partnership for Carbon Accounting Financials and the standards of the International Financial Institutions Joint Standards for GHG Accounting for Grid Connected Renewable Energy Projects.

These KPIs align with SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action). These KPIs may be supplemented with additional indicators derived from the IRIS+ framework (IRIS Catalogue of Metrics), including Jobs in Directly Supported/Financed Companies.

G. Methodologies

What are the methodologies used to measure the attainment of the sustainable investment objective?

TLEI uses the defined KPIs detailed in section F above to measure the sustainable investment objective complemented with a range of additional indicators that capture particular positive contributions of its investments. Methodologies for calculating these indicators have been updated in the process of classifying TLEI as an Article 9 fund, to bring them in line with industry standards and evolving best practices, including the criteria set out in the EU Green Taxonomy Screening Criteria. Wherever possible, the KPIs are based on the methodologies set out in the IRIS+ framework (IRIS Catalogue of Metrics). The Investment Manager also screens all investments for EU Taxonomy alignment and actively engages with investee companies on PAI indicators (see section F above).

How are the sustainability indicators to measure the attainment of that sustainable investment objective used?

The sustainability indicators are used throughout the investment process (see section J below), including to identify and screen prospective investments, and as a key criterion for their management during ownership. Progress towards these sustainability indicators is included in both interim reporting and annual reporting.

H. Data sources and processing

What are the data sources used to attain the sustainable investment objective of the financial product?

The Investment Manager relies on data provided directly by its investee companies to attain the sustainable investment objective.

What are the measures taken to ensure data quality?

The Investment Manager draws on inputs from third party expert providers to strengthen and assure data collection and management systems as necessary. The Investment Manager's in-house ESG experts continuously engage with investee companies to develop and quality assure this data.

How are data processed?

Data from all possible sources are processed and stored internally, although external service providers or platforms may be engaged to support the quantification and verification of selected data (for example on GHG emissions).

Which proportion of that data are estimated?

Most data is directly sourced from investee companies and reviewed by the Investment Manager's in-house experts. The Investment Manager does not anticipate much reliance on data estimates, other than the use of standardised grid emission factors to estimate avoided GHG emissions, and limited use of proxy data to estimate some elements of scope 2 and 3 GHG emissions.

I. Limitations to methodologies and data

What are the limitations to the methodologies and data sources?

There may be limitations around data availability and quality as systems for ESG information are established at small size privately owned companies. The Investment Manager's ESG experts work with investee companies to strengthen and assure data provided as far as possible.

Why do such limitations not affect the attainment of the sustainable investment objective?

TLEI relies on directly sourced data from investee companies that is collected using clear processes and regularly reviewed by the Investment Manager's in-house experts. Limitations are likely to be minor and unlikely to impede attainment of the sustainable investment objective.

J. Due diligence and sustainability in the investment process

How is the due diligence carried out on the underlying assets of the financial product, and what are the controls on sustainability across the investment cycle?

TLEI invests using an integrated ESG investment approach, measuring and monitoring its impact against intended sustainable development objectives. These positive impacts are measured using the key indicators specified in section F. Investment decisions are delegated to the Investment Manager under the Investment Management and Distribution Agreement. The chart below illustrates the Investment Manager's general investment due diligence process applied to any investment opportunity, highlighting elements related to ESG due diligence functions, as well as sustainability objective/ impact considerations.

All prospective investments are screened for their adherence with the sustainability objective, EU Taxonomy Do No Significant Harm Criteria and relevant PAI considerations using the Investment Manager's proprietary materiality assessment tools that build on established industry frameworks. The Investment Manager aims to ensure the integrity, sustainability and verifiability of its impact and regularly reviews and improves its approach to impact measurement and management.

Investment Strategy and Origination
1. Country Risk 2. Sector / Technology Opportunities

SCREENING	DUE DILIGENCE	OWNERSHIP	MANAGEMENT	EXIT
Alignment with impact KPIs and values	Assessment of adherence to ESG policies and minimum standards	ESG and impact conditions to be included in financing agreements as appropriate	At least quarterly asset level reporting on ESG KPIs and PAIs from Investee Companies	Reporting on ESG and impact achievements including scoring
Risk / Opportunity impact scoring	Sector tailored materiality assessment and impact scoring using TLG proprietary tools	ESG, impact and value creation plans for approval	Guidance and training for investee company counterparts on sustainability and impact	Vendor due diligence
Exclusions	Road map to address gaps			

K. Engagement policies

Is engagement part of the sustainable investment objective and which are the engagement policies? Are there any management procedures applicable to sustainability-related controversies in investee companies?

TLEI takes an active ownership approach to its investments and works to improve each investee companies' ESG performance and impact contribution. The ESG performance of each investee company is reviewed quarterly and annually together with relevant PAI indicators and further elements of the do no significant harm (DNSH) assessment (see section B above). The Investment Manager has a role on the governing board of all of its investee companies and uses this position to advance ongoing improvement of approaches to delivering positive sustainability objectives and managing potential PAIs.

Are there any management procedures applicable to sustainability-related controversies in investee companies?

Sustainability-related controversies will feed into the annual review of the ESG performance of each investee company. Any resulting actions will be defined individually for each investee company as part of the ongoing engagement process.

L. Attainment of the sustainable investment objective

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.