ThomasLloyd SICAV Sustainable Infrastructure Growth Fund

Sustainable Finance Disclosure Regulation (SFDR)
Article 9 Website Disclosure

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Contents

A. Summary

Objective: **ThomasLloyd SICAV – Sustainable Infrastructure Growth Fund (the Sub-Fund)** supports sustainable infrastructure that can support climate change mitigation and circular economy approaches in fast growing and emerging economies worldwide. The target infrastructure includes renewable energy, utilities, transport, social Infrastructure, and information and communication infrastructure. The sustainable infrastructure investments aim to 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 operate.

No Significant Harm: Environmental, social and governance (ESG) considerations are integral to Sub-Fund investment manager's (the "Investment Manager") environmental and social policies 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 principle adverse impacts 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 investee companies to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights.

Investment Strategy: The Sub-Fund will invest in a diversified portfolio of companies that finance sustainable infrastructure assets in high growth and emerging economies with a focus on Asia. Financing agreements associated with the Sub-Fund will include provisions monitoring performance against the sustainability objectives outlined above. 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

Proportion of investments: The Sub-Fund aims for up to 100% of its investments to be used to meet its sustainable investment objective. It may not be possible to fully assess the adherence of early stage investments with the full detail of the EU Green Taxonomy Technical Screening Criteria. Furthermore, some of these investments are in emerging economies with different climatic, natural and regulatory characteristics than exist in the EU, and using unique approaches tailored to local needs and conditions.

Monitoring of Sustainable Investment Objective: The Sub-Fund uses a range of key sustainability indicators to monitor progress in achieving its sustainability objectives including the amount of greenhouse gas (GHG) emissions avoided, and jobs directly supported. These KPIs align with SDG 13 (Climate Action) and SDG 8 (Decent Work and Economic Growth). 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 related 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: The Sub-Fund invests using an integrated environmental, social and governance 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

Environmental, social and governance (ESG) considerations are integral to the overarching investment objective. The SICAV 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.

EU Taxonomy Do No Significant Harm criteria and technical screening guidance as well as the relevant principle adverse impacts 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 frameworks for prospective investments. The Investment Manager is a signatory of the Partnership for Carbon Accounting Financials (PCAF) and aims to account for GHG emissions in line with PCAF guidelines.

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 adverse impacts. As part of investment due diligence, key issues and data related to the mandatory PAI Indicators in Table 1 are considered, as appropriate and relevant. As noted above, in 2022 these issues the Investment Manager 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 Principle Adverse Impacts listed under Table 1 Annex 1 of regulation on a quarterly basis as part of the formal ESG reporting exchange with investee companies.

Although it is an FMP 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.

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, 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?

The Sub-Fund provides direct access to sustainable energy infrastructure in fast-growing and emerging economies in Asia. It aims to provide financial, environmental and social returns, through investments in renewable energy infrastructure that support the environmental objective of climate change mitigation and circular economy as set out in the EU Taxonomy. The Sub-Fund finances sustainable energy infrastructure with a geographic focus on the fast-growing and emerging economies in Asia 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?

The Sub-Fund will invest in a diversified portfolio of companies that finance sustainable infrastructure assets in high growth and emerging economies in Asia. Financing agreements associated with the Sub-Fund will include provisions monitoring performance against the sustainability objectives outlined above. The companies financed by the Sub-Fund will only invest in countries that the Investment Manager considers to have an adequately stable political system, a transparent and enforceable legal system, and which recognise the rights of foreign investors, on the basis of its top down due diligence on market opportunities. The Sub-Fund will only invest in technologies whose commercial use has already been proven. 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.

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. Relevant measures to this effect will be specified in forthcoming periodic disclosures.

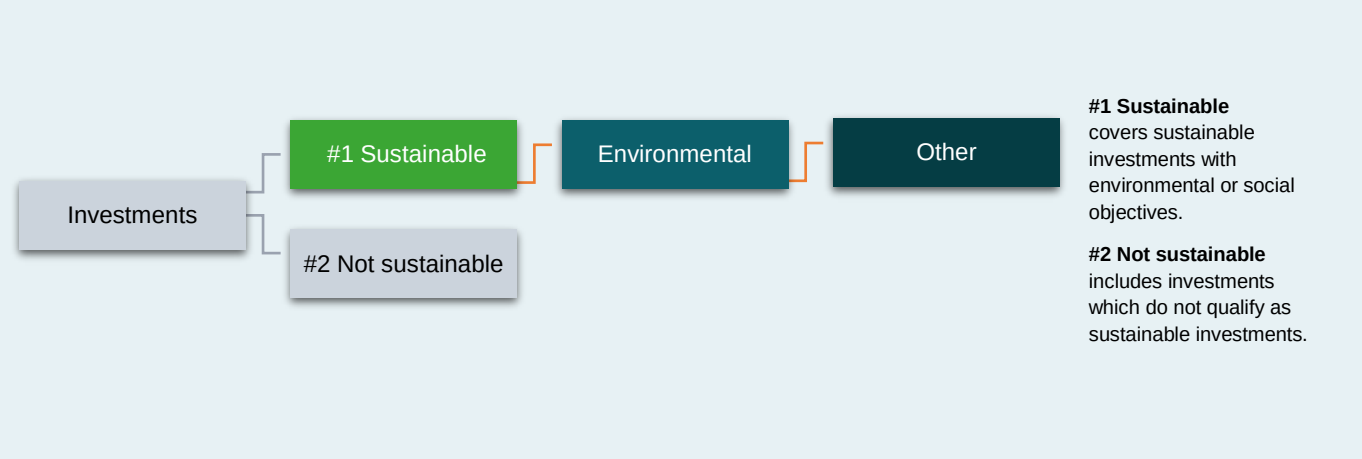
All investments must (i) deliver on at least one of the key sustainability indicators set out above and (ii) adhere to the Investment Manager's environmental, social and governance policy requirements (as updated from time to time). The Sub-Fund will not invest in coal-fired or nuclear power plants, oil and gas projects, or any investments that do not materially align with its defined ESG Standards. On a quarterly basis the Investment Manager receives reporting on principal adverse impacts related to the infrastructure assets financed, as well as the positive impacts as defined using the sustainability objective. The full investment strategy is detailed in the ThomasLloyd SICAV Offering Memorandum.

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?

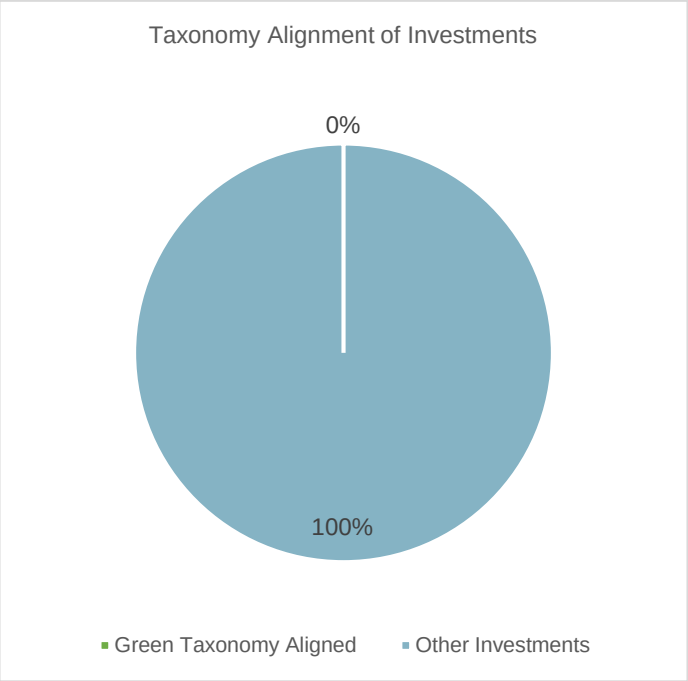
Good corporate governance is a critical dimension of investment screening processes, engagement and the Investment Manager's ESG policy. Key considerations include compliance with required accounting and reporting standards; human resource policies and practices including non-discrimination and fair 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. More detail on the investment manager's approach to monitoring and stewardship is included in the ThomasLloyd SICAV Offering Memorandum.

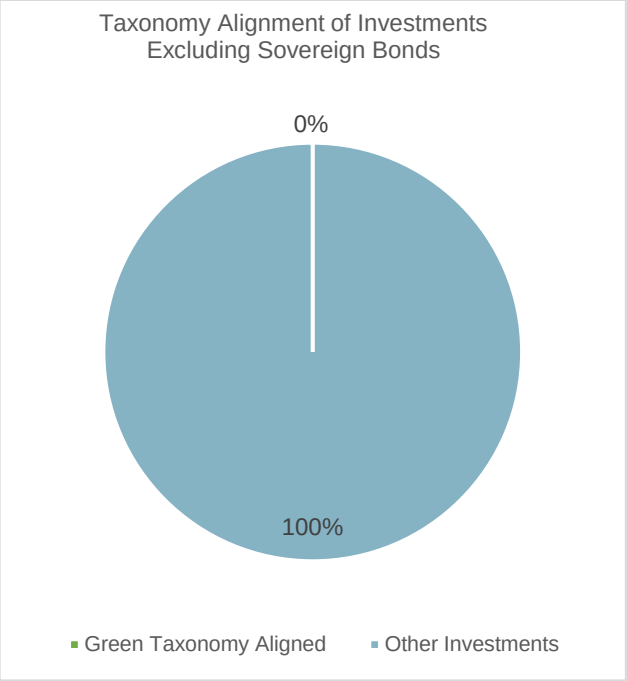
E. Proportion of investments

The Sub-Fund financing enables operation of new sustainable energy solutions and infrastructure assets with the environmental objectives of climate change mitigation and circular economy approaches. Some of these investments are in emerging economies using unique approaches tailored to local needs and conditions, and reflecting national standards differ from those set out in the EU Green Taxonomy technical screening criteria. Furthermore, it may not be possible to fully assess the adherence of early stage investments with the full detail of these technical criteria. The investment manager aims for 100% of its finance to meet its sustainable investment objective, in accordance with the binding elements of the investment strategy, however up to 5% of funds may be held in cash for operational purposes, liquidity management and hedging



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

The Sub-Fund invests in renewable energy solutions tailored to the particular local context in emerging economies. It only provides financing for companies that own and manage sustainable infrastructure solutions that substantially contribute to climate change mitigation and/or circular economy approaches. It may not be possible to fully assess the adherence of early stage investments with the full detail of the EU Green Taxonomy Technical Screening Criteria. Furthermore, some of these investments are in emerging economies with different climatic, natural and regulatory characteristics than exist in the EU, and using unique approaches tailored to local needs and conditions.

The Sub-Fund has no sovereign bond exposures. Up to 5% of funds may be held as cash for operating purposes including liquidity and hedging, as reflected in the graphs below.

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%

Given the nature of the investment strategy as explained above, no minimum commitment is made. The Sub-Fund will aim for EU taxonomy alignment of its investments where appropriate and taxonomy criteria can be applied, and report against this.

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. 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?

A range of sustainability indicators are used to measure the sub-fund's attainment of its sustainable investment, notably the following Key Performance Indicators ("KPIs"):

GHG emissions avoided (IRIS+ metric PI2764) Amount of greenhouse gas (GHG) emissions in CO2e avoided by the organization 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.***

Jobs in Directly Supported/Financed Companies (IRIS+ metric PI4874) Number of full-time equivalent employees working for enterprises financed or supported by the organization as of the end of the reporting period. Aligned with HIPSO Direct Jobs Supported (Operations and Maintenance).

These KPIs align with SDG 13 (Climate Action) and SDG 8 (Quality Jobs and Economic Growth). These KPIs may be supplemented with additional indicators derived from the IRIS+ framework (IRIS Catalogue of Metrics).

G. Methodologies

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

The Sub-Fund uses the defined Key Performance Indicators detailed in section F. 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 The Sub-Fund 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 taxonomy alignment, and actively engages with investee companies on Principle Adverse Impact Indicators (see above "F. Monitoring of the sustainable investment objective").

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 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 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 for small size privately owned companies. The Investment Manager's ESG experts seek to strengthen and assure data provided as far as possible.

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

The Sub-Fund 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 due diligence carried out on the underlying assets of the financial product, and what are the controls on sustainability across the investment cycle?

The sub-fund invests using an integrated environmental, social and governance 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 above. 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.

INVESTMENT STRATEGY AND ORIGINATION
Country Risk and Opportunities
Sector / Technology Opportunities

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

The chart above illustrates the general investment due diligence process applied to any investment opportunity, highlighting elements related to environmental social and governance due diligence functions, as well as sustainability objective/ impact considerations. The investment manager seeks to continuously strengthen its approach to impact measurement and management.

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?

The ESG performance of each portfolio company is reviewed quarterly and annually together with relevant PAI Indicators and further elements of the DNSH assessment (see above “B. No significant harm to the sustainable investment objective”).

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 portfolio company. The resulting actions will be defined individually for each portfolio 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.