

Sustainability Policy.

ThomasLloyd Group
April 2023

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1 INTRODUCTION AND PURPOSE

ThomasLloyd Group (TLG) is an independent impact investment solutions provider, advisor and asset manager, with a focus on sustainable energy infrastructure in emerging and developing Asia. Sustainable energy infrastructure is vital for economic and social development, helping build resilient communities, and supporting purposeful activity. We set out deliberately and intentionally to generate positive, measurable social and environmental impact alongside a market-driven financial return. We are committed to act on the urgent imperative of financing action to help achieve the Sustainable Development Goals (SDGs),¹ and supporting a rapid transition to low carbon and resilient development in this context.

This Sustainability Policy² addresses our approach to impact, Environmental Social and Governance (ESG) and responsible investment, and is the foundation of TLG's approach to managing ESG risks, and sustainable impact-related performance. The Sustainability Policy applies to all financial products and mandates advised or managed by TLG and covers all assets under management (AUM). The policy sets out the group-wide approach to integrating impact and ESG in our investment process including:

- Values and commitments
- ESG scope and key impact areas
- Approach to responsible investment
- Governance

2 VALUES AND COMMITMENTS

2.1 Core values

TLG aims to create long-term value for our investors and the communities we invest in, supporting better ESG outcomes and contributions to the SDGs. We aim to use our influence and expertise to implement positive change through the projects we finance, and the investee companies with which we partner. We are not afraid to take on difficult problems in hard to reach places, and challenge the status quo, in order to achieve our impact priorities. We are committed to long-term engagement, to realise our impact investment priorities. We uphold the following core values in our investment approach:

Making a difference: Impact investing is our sole focus. We aim to create lasting value, for investors, for the people and communities in which we operate, while respecting planetary boundaries, and helping to address critical environmental challenges.

Holistic: We integrate, environmental, social and governance (ESG) factors as completely as possible in all corporate and investment decisions, transparently, and at each stage of the investment process.

Respect: We maintain influential and supportive relationships with our management teams and our stakeholders, promoting diversity and inclusion while reflecting the social and cultural contexts in which we operate, to continuously enhance sustainability and impact.

Proactive: We ensure early identification of and accountability for key risks, and adapt to new developments, taking the pulse of evolving sustainability challenges and opportunities.

Striving for excellence: We continually assess and scrutinise our performance, strengthen practice, and align behaviours with our core values, in all our operations.

¹ The Sustainable Development Goals were adopted by all United Nations Member States in 2015, providing a shared blueprint for peace and prosperity for people and the planet, now and into the future. <https://sdgs.un.org/goals>

² This integrated policy replaces previous separate ThomasLloyd Group policies on environmental social and governance approaches, responsible investment, and stewardship and engagement.



2.2 Standards and principles

We comply with all laws and regulations in the jurisdictions in which we operate. We aim to meet the highest standards set out in evolving regulation of sustainable finance in jurisdictions where we anchor or market our impact investment solutions. We are committed to following international and industry Sustainability guidelines and best practices. We aim to adhere to the International Finance Corporation (IFC) Performance Standards and the IFC Environmental Health and Safety Guidelines³. Wherever possible we use indicator methodologies from the Global Impact Investment Network's IRIS+ catalogue of metrics, or other industry standard frameworks, to measure our impact. We engage with investee companies to advance the UN Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises in the management approach of the companies we finance. We have been a signatory of the UN Principles for Responsible Investment (PRI) since 2016, incorporating its six principles into our operating philosophy and investment process, while reporting annually on implementation.

We have a zero-tolerance approach towards bribery and corruption, and our Group level commitments are detailed in our Anti-Bribery Policy⁴. As part of investment due diligence, we review potential issues related to bribery, corruption and business ethics.

2.3 Our sustainability and impact priorities

We are committed to delivering intentional and measurable impact through our investments, which will all contribute to at least one of the following sustainability priorities. We actively manage investments to deliver positive outcomes in the communities and countries in which we operate. We will systematically assess the potential of our investments to contribute to these sustainability objectives, and hold ourselves accountable for delivering and optimizing core sustainability impact through our ownership and management of investments. In so doing, we distinguish between the core sustainability impacts that are inherent to our investment and management approach, and ancillary positive impacts, such as those related to social responsibility initiatives advanced around our assets.

³ International Finance Corporation. Performance Standards on Environmental and Social Sustainability 2012. www.ifc.org/performancestandards

⁴ ThomasLloyd Group Anti-Bribery Policy 2021. Available online: <https://www.datocms-assets.com/62973/1665507919-tlg-anti-bribery-policy-22-09-2022-final.pdf>



Climate change: Supporting ambitious climate action, particularly through investment in sustainable energy infrastructure that avoids greenhouse gas (GHG) emissions, is a core objective of most of the financial products TLG manages.

Our approach: We invest in energy transition solutions to combat climate change. We are committed to measuring, managing, and reducing the GHG emissions that are inevitably associated with our operations. We also work to actively manage climate related risks, and foster resilience in and around the assets we support. Our community engagement efforts also aim to foster resilience. We support the Task Force on Climate Related Disclosures (TCFD), and will report against it. Since 2022 we have also been a signatory of the Partnership for Carbon Accounting Financials (PCAF).

Nature and the circular economy: We recognize the imperative to make investments that protect nature, and support the transition to a circular economy by reducing waste.

Our approach: We will avoid investments in businesses or projects that may negatively impact areas of high biodiversity value. Supporting the transition to a circular economy by avoiding or making use of waste is a core objective of many of our investment strategies. We will emphasise opportunities to increase efficiency and reduce our resource footprint across the assets we finance. Wherever possible we seek to have a positive impact on nature, including through complementary social responsibility activities around our investments that address biodiversity and natural resource issues.

Decent work and human rights: We are committed to supporting quality jobs through our investments, and promoting respect for human rights.

Our approach: We respect human rights and have a zero-tolerance policy towards the exploitation of child labour⁵ and towards forced labour. This position is complemented by our statement on Modern Slavery, whose implementation is reviewed annually. We only invest in projects or companies that seek to comply with IFC Performance Standard 2 and the UN Principles on Business and Human Rights. Our investment strategies aim to foster inclusive employment practices. We are committed to creating local employment opportunities around the infrastructure assets we finance, and encouraging diversity and inclusion in employment practices associated with the projects and companies we finance. This commitment is complemented within TLG, and reflected in our human resources policies. TLG is an equal opportunities employer, and deplores all forms of personal harassment, including sexual harassment and victimisation.

⁵ ThomasLloyd Group interprets "minimum age" as the higher of (i) 14 years of age (ii) the minimum age of employment permitted by the law of the country where employment takes place or (iii) the age established for completing compulsory education in that country.

3 OUR APPROACH TO ESG

3.1 Our ESG framework

TLG's ESG due diligence and management framework is used to guide and ensure a comprehensive integration of ESG criteria throughout our investment process, drawing on international frameworks and best practices including the IFC Performance Standards, GRESB and SASB materiality tools, and the EU Green Taxonomy and SFDR Principle Adverse Impact Indicators.

Key issues in ESG due diligence and management	
Environment	Resource Efficiency and Pollution Prevention
	Biodiversity Conservation and Sustainable Management of Living Natural Resources
	Climate Change
	Sustainable Supply Chain
Social	Labour Conditions
	Community Health, Safety and Security
	Land Acquisition and Involuntary Resettlement
	Indigenous People
	Cultural Heritage
	Sustainable Supply Chain
Governance	Governance and management systems
	Business Ethics
	Data Security and Privacy

Our ESG and impact management system fully integrates sustainability risk and opportunity factors prior to making an investment, and into each stage of the investment process, from the initial screening, the investment decision, and throughout the ownership period as demonstrated below.

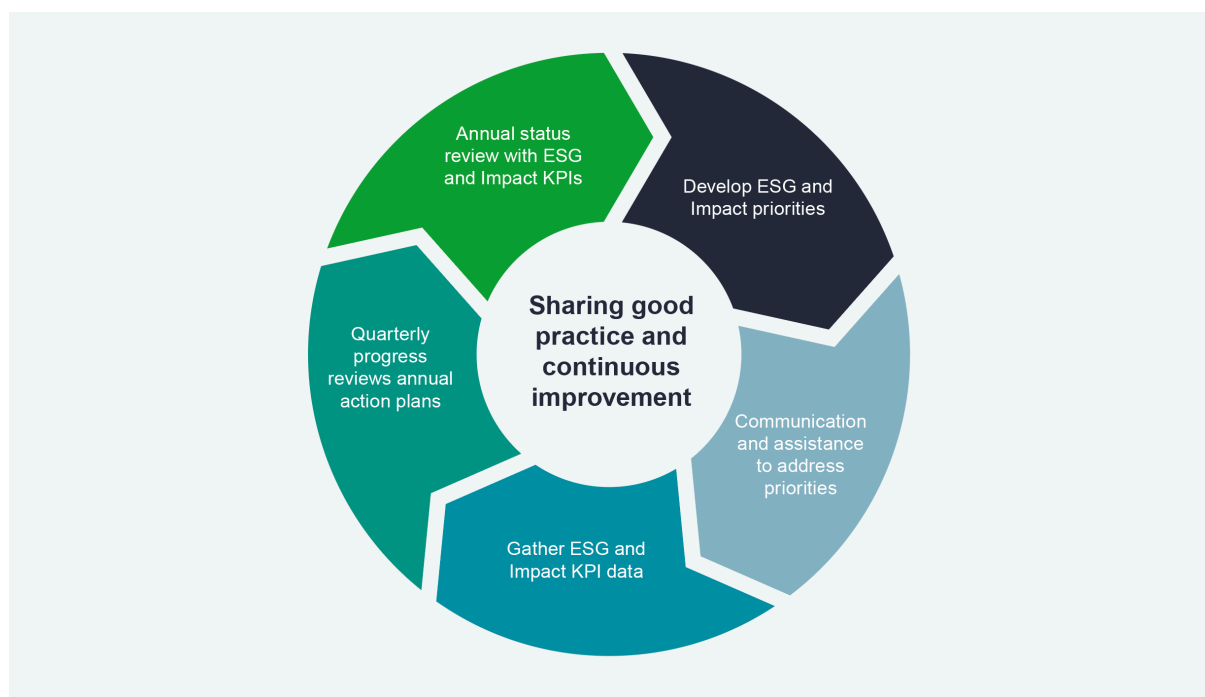
TLG Investment Process						
	Origination and deal execution	Structuring	Tendering, contracting and financing	Construction and initial phase operations	Operation and maintenance	Exit
Impact	<ul style="list-style-type: none"> Alignment with KPIs and values Risk/opportunity impact assessment 	<ul style="list-style-type: none"> Assess and quantify impact potential Identify opportunities to enhance impact 	<ul style="list-style-type: none"> Impact Scoring (including risk assessment) Include impact considerations in financing agreement if appropriate 	<ul style="list-style-type: none"> Agree Impact and Value Creation plans 	<ul style="list-style-type: none"> At least quarterly asset level reporting on progress on impact objectives 	<ul style="list-style-type: none"> Reporting on Sustainability impact achievements including scoring
ESG	<ul style="list-style-type: none"> Check consistency with exclusions list 	<ul style="list-style-type: none"> Full assessment of adherence to TLG ESG minimum standards and policies Develop road map to address ESG gaps 	<ul style="list-style-type: none"> Complete sector tailored materiality assessment using TLG proprietary tools Establish ESG conditions to include in investment/financing agreements as appropriate 	<ul style="list-style-type: none"> Address construction specific ESG requirements (incl. supply chain DD) and monitor implementation 	<ul style="list-style-type: none"> At least quarterly asset level reporting on ESG KPIs and PAIs Deliver guidance and training for counterparts on sustainability and impact 	<ul style="list-style-type: none"> Conduct buyer/vendor due diligence

3.2 Pre-investment

TLG conducts a comprehensive risk-based review of each prospective acquisition to reflect the inherent industry and country/local ESG risks and extending to the ESG risks of a particular investment. As part of acquisitions, we set out road maps to address any key sustainability related gaps.

3.3 Asset ownership and management

Impact and ESG stewardship are central to all investments. We understand stewardship to entail the responsible allocation, management, and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment, investors and society. Through positive and direct engagement with our management teams we can create optimal long-term value for our investors and for the communities in which we invest.



Our investment management teams are responsible for addressing, monitoring and managing the environmental and social factors that are material to TLG financed assets. We work with asset management teams and investee companies to develop ESG and impact action plans and regularly monitor the implementation and progress of these plans.

3.4 Exit

Our approach aims for long-term engagement. At certain junctures it may make sense to exit from certain investments, at which stage we will review and report on the progress towards our impact objectives and ESG stewardship. We will also conduct ESG due diligence on vendors.

3.5 Reporting

We produce regular investor reports for our financial products and services which detail activities at all the projects within our investment set. We collect impact and ESG data on a quarterly basis and report on this as part of our annual reporting, which will include an annual sustainability report. These reports are publicly available on our website, including financial product websites.

3.6 Exclusions

Our investments are made to deliver economic and social progress, help build resilient communities and to support purposeful activity, whilst protecting natural resources and the environment. Certain sectors are excluded from investment if they do not reflect our socially and environmentally responsible investment approach. These include, but are not limited to:

- Fossil fuel or nuclear power plants
- Coal, oil and gas projects
- Production and trade of weapons
- Illegal and outlawed products, and activities in gambling and pornography
- Entities referenced in our anticorruption and bribery policy, including sanctioned entities

4 GOVERNANCE

4.1 Roles and responsibilities

TLG is committed to sound governance of its impact, ESG and responsible investment priorities through clear allocation of responsibilities and accountability. Our Head of Impact and ESG is responsible for the delivery of this policy, which is approved by the Group's Board. The Group's Sustainability Committee reviews key impact and ESG performance, agrees implementation and stewardship strategies, raises issues or considerations to strengthen practice, and opines on critical business relationships with suppliers from a governance and sustainability perspective. The Group's Investment Committee reviews impact and ESG elements of planned investments, confirms their adequacy, and confirms ESG and impact achievements during the ownership or financing stage. Annex 2 details these governance arrangements.

4.2 Remuneration

Impact, ESG and responsible investment considerations are also reflected in all employees' performance management reviews, in a manner appropriate to their role and function within the Group, and performance against these objectives will be reflected in decisions related to variable remuneration.

4.3 Stewardship

TLG has adopted the UN PRI definition of stewardship as: *"the use of influence by [investors] to maximise overall long-term value including the value of common economic, social and environmental assets, on which returns and clients' and beneficiaries' interests depend."* Stewardship is undertaken through both formal and informal interactions between TLG teams and investee company teams at

various levels of seniority to keep abreast of the company's developments and performance, and to satisfy ourselves of the effectiveness of its strategy and leadership.

Our stewardship activities include, but are not limited to:

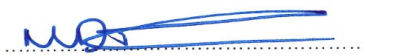
- engagement with investees (both current and potential)
- leveraging roles on investee company boards or board committees
- direct oversight of portfolio companies or assets,
- engagement with standard setters, and
- engagement with other stakeholders (e.g. NGOs, communities)

Where appropriate, we will also seek to engage with governments, government related agencies, or regulators to advance the sustainable development impact objectives of our investment strategy. Such engagement is not intended to unduly influence the political process. We are committed to respectful engagement with governments and public sector bodies, without any suggestion of improper pressure.

As ESG integration is a foundational pillar of our strategy, our shareholder and financing agreements define standards that we expect our investments to meet. These agreements also define methods of resolving disputes on a fair and commercially reasonable basis. Whilst we do not anticipate it will be required, the final stage of dispute resolution is professional independent arbitration, which is entered when a satisfactory and amicable resolution cannot be reached.

5 APPROVAL AND REVIEW

This policy reflects TLG's current values and culture. It will be reviewed at least every two years and revised as appropriate, with or without notice. The underlying frameworks of the policy will be reviewed annually.



Mike Craston
Non-Executive Chair
ThomasLloyd Group

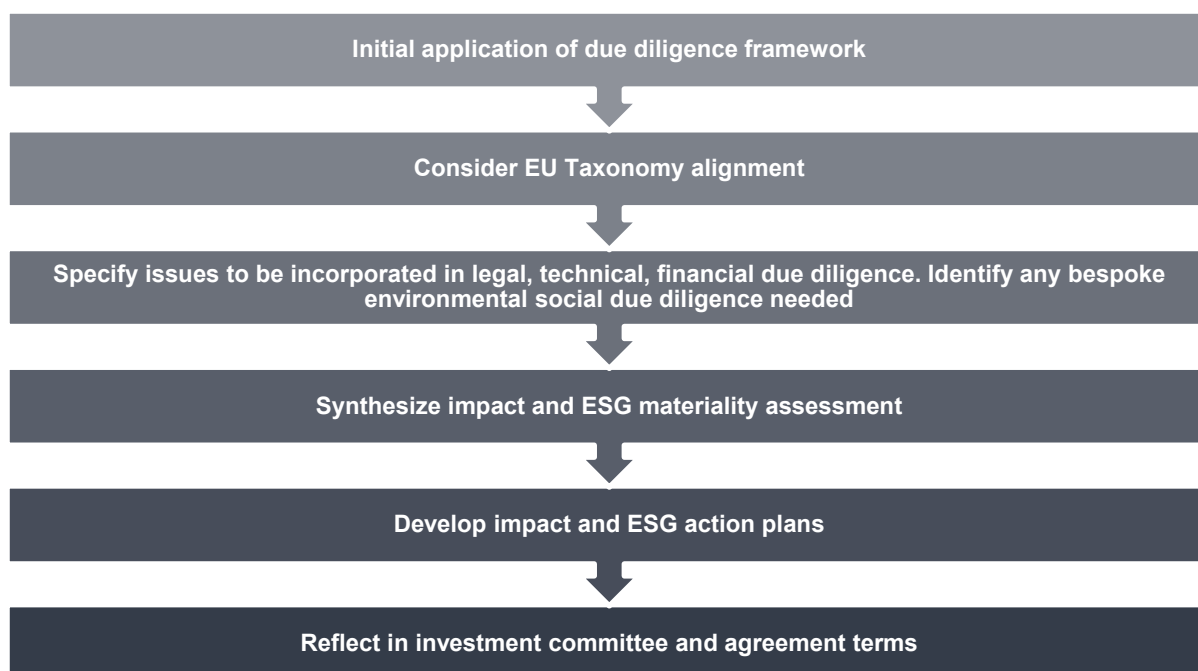


T.U. Michael Sieg
Chief Executive Officer
ThomasLloyd Group

3 April 2023

TLG offers its staff training on impact, ESG and responsible investment matters. Staff must confirm they have read and understood the Sustainability Policy. If you have any questions, comments, or concerns regarding this Policy or its implementation, please contact Smita Nakhooda, Head of Impact and ESG. This policy was last updated in April 2023.

ANNEX 1: TLG ESG DUE DILIGENCE



An initial screening of prospective acquisitions is completed to examine whether it raises any ESG red flags and its alignment with TLG's impact KPIs and values. At this stage, TLG relies on a high-level due diligence (DD) screening checklist, informed by its sector risk guide, and assesses the ESG and impact risk / opportunity profile of the prospective investment.

If a decision to proceed with the investment is taken, a more complete due diligence assessment is completed to examine material ESG issues in depth using TLG's proprietary Sustainability Assessment Tools. The tools include general and sector specific guidance to support project due diligence, and is organized around the IFC's Performance Standards, while cross referencing Sustainability Accounting Standards Board (SASB) and GRESB materiality guidance, the IFC's Health and Safety Standards, and EU SFDR considerations including principle adverse impact issues, and EU Green Taxonomy Alignment. The outcome of the assessment is an impact and ESG analysis that highlights the key issues and priorities for each prospective acquisition based on sector and TLG's considerations.

TLG's investment teams complete the ESG analysis using this toolkit, drawing on information gathered about the target investment and associated investee through a combination of independent analysis drawing on documentation provided by the prospective investee company; information in the public domain; and insights provided by third-party advisors including those addressing legal, technical, and financial management issues such as taxation. Where gaps are identified, mitigation measures are proposed and captured in impact and ESG and action plan(s) that are linked to acquisition and management agreements.

The Infrastructure Investment Committee will confirm that impact and ESG-related issues have been adequately addressed when making the investment decision.

ANNEX 2: TLG SUSTAINABILITY GOVERNANCE ARRANGEMENTS

Owner	Role
Group Board	<ul style="list-style-type: none"> • Overall responsibility for investment strategy, including delivery of impact objectives, and oversight of the Sustainability Policy and Approach • Adjudicates on disputed matters
Financial Product Boards	<ul style="list-style-type: none"> • Overall responsibility for the implementation of the investment objectives of the product, including the sustainable investment objective
Group Infrastructure Investment Committee	<ul style="list-style-type: none"> • Reviews impact and ESG elements of planned investments, and confirms their adequacy • Reviews impact and ESG progress through project ownership • Confirms ESG and impact achievements during ownership, and buyer DD
Group Sustainability Committee	<ul style="list-style-type: none"> • Reviews impact and ESG performance • Agrees implementation and stewardship strategies • Raises issues or considerations to strengthen practice • Opines on critical business relationships with suppliers from a governance and sustainability perspective
Investee Company Board Member	<ul style="list-style-type: none"> • Responsibility for overall ESG performance and stewardship at an investee company level
Group Impact and ESG Hub	<ul style="list-style-type: none"> • Develops impact and ESG strategy, policies, and metrics • Supports infrastructure investment team to complete ESG and impact Due Diligence and agree priorities with investee companies • Assures ESG due diligence and action plans • Monitors regulatory developments and recommends responses • Training and capacity building across the organization and investments
Group Infrastructure Investment Team	<ul style="list-style-type: none"> • Ensures impact and ESG frameworks are fully integrated into investment due diligence • Proposes critical ESG measures to be addressed in action plans for investee companies • Collaborates with impact and ESG Hub on (i) impact priorities for investee companies (ii) quarterly and annual ESG reporting