



SUSTAINABILITY-RELATED DISCLOSURES

JLEN

1. SUMMARY

JLEN Environmental Assets Group Limited (the “**Company**” or “**JLEN**”) aims to invest in a diversified portfolio of environmental infrastructure projects that support more environmentally friendly approaches to economic activity whilst generating a sustainable financial return.

JLEN has a climate change mitigation objective and supports the transition to a low carbon economy by virtue of investing in a diversified portfolio of environmental infrastructure.

JLEN defines environmental infrastructure as assets, projects and asset-backed businesses that utilise natural or waste resources or support more environmentally friendly approaches to economic activity, support the transition to a low carbon economy or which mitigate climate change.

The Company’s activities will contribute materially towards the emissions reduction objectives set out under the Paris Climate Agreement. By way of example, JLEN has invested into a portfolio of diversified renewable energy assets, clean fuel distribution assets and other assets that contribute to decarbonising both the national energy mix and other emissions-intensive activities.

The Company does not use an EU Climate Transition or Paris-aligned benchmark as a reference. This is because there is no relevant EU Paris-aligned or Climate Transition Benchmark against which the Company can measure the extent to which its investments mitigate climate change.

However, JLEN’s contributions to decarbonisation and sustainable impact are measured, tracked and reported on regularly to both demonstrate the assets’ contribution to the sustainable investment objective and ensure the continued effort of reducing absolute carbon emissions in line with the objectives of the Paris Agreement and in order to ensure compliance with the methodological requirements set out in Commission Delegated Regulation (EU) 2020/1818.

At a strategic level, JLEN’s investment mandate limits its investment activity to investing in a diversified portfolio of environmental infrastructure projects that support more environmentally friendly approaches to economic activity, support the transition to a low carbon economy or which directly mitigate climate change.

Investing in assets that do not fulfil this criterion would be in breach of the Company’s mandate and would be unlikely to gain Investment Committee approval.

At an investment level, JLEN ensures that all potential investments undertaken meet the Company’s definition of sustainable infrastructure, and that climate-related risks are systematically identified, assessed and subsequently managed through evaluation in accordance with Foresight’s Sustainability Evaluation Tool (“**SET**”).

The SET is an evolving tool and has been designed with flexibility in mind, making it adaptable to new sectors, industry frameworks and impact standards as the level of sophistication around sustainability and ESG performance monitoring grows. Moreover, the materiality of certain issues within each of these areas can be subject to frequent change, therefore a framework that can adapt easily to reflect these changes is important.

The tool draws on IRIS+ indicators, which are an aggregation of a number of widely recognised sustainability and climate-related frameworks to measure, manage and optimise sustainability and

ESG performance. These frameworks include GRESB, the Global Reporting Initiative (“**GRI**”), the Sustainability Accounting Standards Board (“**SASB**”), the UN SDGs, the Global Impact Investing Network (“**GIIN**”) and Principles for Responsible Investment (“**PRI**”).

The final SET assessment, and the asset’s corresponding “Sustainability Web”, are produced as part of investment due diligence and presented to Investment Committee.

JLEN invests in environmental infrastructure projects through investments in direct assets as well as through portfolio companies. JLEN intends that all of the Company’s assets will be used for the purpose of attaining the Company’s sustainable investment objective. Notwithstanding, the Company may hold cash reserve. For the purpose of disclosing in line with the expectations of Commission Delegation Regulation (EU) 2022/1288, JLEN confirms its commitment to invest a minimum proportion of 95% of the Company’s assets in alignment with the fund’s sustainable investment objective of contributing to climate change mitigation or supporting more environmentally friendly approaches to economic activity. As a result, a maximum proportion of 5% of the Company’s assets in investments will be categorised as “#2 Not sustainable”. In addition, JLEN commits that a minimum proportion of 80% of the Company’s sustainable investments will be aligned with the EU Taxonomy (by market value).

2. NO SIGNIFICANT HARM TO THE SUSTAINABLE INVESTMENT OBJECTIVE

Overall responsibility for Sustainability and Environmental, Social and Governance (“**ESG**”) considerations resides with the Board of JLEN, with analysis and reporting of ESG criteria advised on by Foresight as the Investment Manager.

JLEN both monitors the attainment of its climate change mitigation objective and compliance with the “do no significant harm” test under the Sustainable Finance Disclosure Regulation. The Company achieves this through the integrated application of its ‘Sustainability Evaluation Tool’ (“**SET**”), which can be used to assess the sustainability and ESG performance of assets throughout their lifecycle. The SET consists of measurable indicators and is used in the evaluation of all projects.

From the perspective of EU Taxonomy aligned assets, for both EU Taxonomy aligned and non-aligned assets, the DNSH criteria detailed within the Delegated Act feature within the SET and are assessed at the project level.

Furthermore, the Investment Manager collects monthly, asset level sustainability and ESG data enables reporting against the mandatory principal adverse impact indicators in Table 1 Annex 1 of the RTS.

GHGs	1	GHG Emissions	Scope 1 GHG Emissions Scope 2 GHG Emissions Scope 3 GHG Emissions (from Jan 23) TOTAL GHG Emissions
	2	Carbon Footprint	Carbon Footprint
	3	GHG intensity of Investee Companies	GHG intensity of Investee Companies
	4	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector
	5	Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage
	6	Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector
Biodiversity	7	Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas
Water	8	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average
Waste	9	Hazardous Waste Ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average
Social and Employee Matters	10	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	11	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprise
	12	Unadjusted Gender Pay Gap	Average unadjusted gender pay gap of investee companies
	13	Board Gender Diversity	Average ratio of female to male board members in investee companies
	14	Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons

3. SUSTAINABLE INVESTMENT OBJECTIVE OF THE FINANCIAL PRODUCT

JLEN Environmental Assets Group Limited (the “Company” or “JLEN”) aims to invest in a diversified portfolio of environmental infrastructure projects that support more environmentally friendly approaches to economic activity whilst generating a sustainable financial return.

JLEN has a climate change mitigation objective and supports the transition to a low carbon economy by virtue of investing in a diversified portfolio of environmental infrastructure.

JLEN defines environmental infrastructure as assets, projects and asset-backed businesses that utilise natural or waste resources or support more environmentally friendly approaches to economic activity, support the transition to a low carbon economy or which mitigate climate change.

The Company's activities will contribute materially towards the emissions reduction objectives set out under the Paris Climate Agreement. By way of example, JLEN has invested into a portfolio of diversified renewable energy assets, clean fuel distribution assets and other assets that contribute to decarbonising both the national energy mix and other emissions-intensive activities.

The Company does not use an EU Climate Transition or Paris-aligned benchmark as a reference. This is because there is no relevant EU Paris-aligned or Climate Transition Benchmark against which the Company can measure the extent to which its investments mitigate climate change.

However, JLEN's contributions to decarbonisation and sustainable impact are measured, tracked and reported on regularly to both demonstrate the assets' contribution to the sustainable investment objective and ensure the continued effort of reducing absolute carbon emissions in line with the objectives of the Paris Agreement and in order to ensure compliance with the methodological requirements set out in Commission Delegated Regulation (EU) 2020/1818.

4. **INVESTMENT STRATEGY**

The Company's full Investment Policy is set out in its Investor Disclosure Document dated 11 January 2022 which can be found on the website: [Publications - JLEN - JLEN Environmental Assets Group](#)

As mentioned above, JLEN implements its strategy of investing in environmental infrastructure by making investments either directly or through holding structures that give it an investment exposure to environmental infrastructure.

The Company's investment interests in environmental infrastructure may include partnership equity, partnership loans, membership interests, share capital, trust units, shareholder loans and/or debt interests in or to project entities or any other entities or undertakings in which the Company invests or may invest.

Sustainability considerations are embedded throughout JLEN's investment process and asset management procedures, from initial investment screening through due diligence and into ongoing monitoring and reporting. As noted above, overall responsibility for Sustainability and ESG considerations resides with the Board of JLEN, with analysis and reporting of Sustainability and ESG criteria advised on by Foresight.

Good governance is essential for JLEN's portfolio to achieve its targeted returns and to minimise downside risk.

JLEN holds Board positions for each of its assets, which are fulfilled by Foresight on its behalf. The Board members work to promote good governance as part of the Company's active engagement with projects.

JLEN typically considers the following governance criteria during due diligence and ongoing monitoring of assets:

- anti-bribery and corruption;
- modern slavery;
- audit and tax practices;
- environmental impact;
- health and safety practices; and

- Board composition.

5. PROPORTION OF INVESTMENTS

JLEN invests in environmental infrastructure projects through investments in direct assets as well as through portfolio companies. JLEN intends that all of the Company's assets will be used for the purpose of attaining the Company's sustainable investment objective. Notwithstanding, the Company may hold cash reserve for the purposes of ancillary liquidity and ongoing portfolio management to enable the continued attainment of the Company's sustainable investment objective. Given the purpose of these investments, there are no minimum environmental and social safeguards applied to such assets. At any point, this cash reserve will account for no more than 5% of the Company's assets.




Therefore, for the purpose of disclosing in line with the expectations of Commission Delegation Regulation (EU) 2022/1288, JLEN confirms its commitment to invest a minimum proportion of 95% of the Company's assets in alignment with the fund's sustainable investment objective of contributing to climate change mitigation or supporting more environmentally friendly approaches to economic activity. As a result, a maximum proportion of 5% of the Company's assets in investments will be categorised as "#2 Not sustainable"; this allocation relates to the cash reserve.





In addition, JLEN commits that a minimum proportion of 80% of the Company's sustainable investments will be aligned with the EU Taxonomy (by market value).

6. MONITORING OF THE SUSTAINABLE INVESTMENT OBJECTIVE

Overall responsibility for Sustainability and Environmental, Social and Governance ("ESG") considerations resides with the Board of JLEN, with analysis and reporting of ESG criteria advised on by Foresight as the Investment Manager.

The specific indicators used for the JLEN portfolio are:

Goal	SDG Target	Contribution
	3.9 Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	Avoidance of: X kg of NOx (Nitrous Oxide) X kg of SOx (Sulphur Dioxide) X kg of PM₁₀ (µm10 Particulate Matter) X kg of PM_{2.5} (µm2.5 Particulate Matter)
	6.3 Improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	Litres of wastewater treated
	7.2 Increase substantially the share of renewable energy in the global energy mix.	X GWh of renewable energy produced Enough electricity to power X homes for a year

	<p>9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.</p>	<p>MW of renewable generation capacity added to the electricity grid.</p>
	<p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>	<p>Tonnes of waste diverted from landfill Tonnes of waste recycled</p>
	<p>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.</p>	<p>Emissions avoidance of Tonnes of CO₂e vs fossil fuel comparator</p>
	<p>15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species</p>	<p>Saving an annual oil equivalent of X TOE (Tonnes of Oil Equivalent), contributing to the avoidance of fossil fuel use</p>

7. METHODOLOGIES

JLEN monitors the attainment of its climate change mitigation objective through the integrated application of its ‘Sustainability Evaluation Tool’ (“**SET**”), which can be used to assess the sustainability and ESG performance of assets throughout their lifecycle. The SET consists of measurable indicators and is used in the evaluation of all projects. (See section 9 for more information.)

Calculation methodologies for the sustainable impact metrics can be provided on request.

8. DATA SOURCES AND PROCESSING

Certain data is collected for aggregation purposes so as to be able to assess the portfolio’s overall sustainability performance and enable concise reporting of this information to investors and regulators. The Investment Manager also has robust processes in place to capture data and report on environmental aspects of the Company’s investments. In addition, JLEN intends to expand on the data that is being captured and reported on.

9. LIMITATION TO METHODOLOGIES AND DATA

As noted above, the Investment Manager also has robust processes in place to capture data and report on environmental aspects of the Company’s investments. To ensure environmental performance measures are accurate and reliable, where appropriate, JLEN or the Investment Manager may commission assessments by third party providers to provide a detailed qualitative and quantitative assessment of how the Company has performed against its stated environmental objectives.

10. DUE DILIGENCE

At an investment level, JLEN ensures that all potential investments undertaken meet the Company’s definition of sustainable infrastructure, and that climate-related risks are systematically

identified, assessed and subsequently managed through evaluation in accordance with Foresight's SET.

The SET is an evolving tool and has been designed with flexibility in mind, making it adaptable to new sectors, industry frameworks and impact standards as the level of sophistication around sustainability and ESG performance monitoring grows. Moreover, the materiality of certain issues within each of these areas can be subject to frequent change, therefore a framework that can adapt easily to reflect these changes is important.

The tool draws on IRIS+ indicators, which are an aggregation of a number of widely recognised sustainability and climate-related frameworks to measure, manage and optimise sustainability and ESG performance. These frameworks include GRESB, the GRI, the SASB, the UN SDGs, the GIIN, and UN PRI.

The final SET assessment, and the asset's corresponding "Sustainability Web", are produced as part of investment due diligence and presented to Investment Committee.

Where necessary, third party advisers are appointed by JLEN to undertake Due Diligence on sustainability and ESG related areas prior to investment.

11. ENGAGEMENT POLICIES

JLEN holds Board positions for each of its assets, which are fulfilled by Foresight on its behalf. The Board members work to promote good governance as part of the Company's active engagement with projects.

12. ATTAINMENT OF THE SUSTAINABLE INVESTMENT OBJECTIVE

The Company's activities will contribute materially towards the emissions reduction objectives set out under the Paris Climate Agreement. By way of example, JLEN has invested into a portfolio of diversified renewable energy assets, clean fuel distribution assets and other assets that contribute to decarbonising both the national energy mix and other emissions-intensive activities.

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Version 1

Publication date: 26 April 2023