

ANNEX

Product name: JLEN Environmental Assets Group Limited
Legal entity identifier: GG00BJL5FH87

Sustainable investment objective

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<p><input checked="" type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: <u>80</u> %</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>

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

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



What is the sustainable investment objective of this 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.

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

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

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**



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.

MW of renewable generation capacity added to the electricity grid.



12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

Tonnes of waste diverted from landfill
Tonnes of waste recycled



13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

Emissions avoidance of **Tonnes of CO₂e** vs fossil fuel comparator



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

Saving an annual oil equivalent of **X TOE** (Tonnes of Oil Equivalent), contributing to the avoidance of fossil fuel use

● **How do sustainable investments not cause significant harm to any environmental or social 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. (See below for more information.)

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

Furthermore, for both EU Taxonomy aligned and non-aligned assets, 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

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

As noted above, the Investment Manager's ongoing portfolio monitoring requires monthly data to be collected and reported on a quarterly basis. This enables robust reporting against the Principal Adverse Impact indicators on a regular basis. Performance against these indicators over time is monitored with a view to consistent improvement. Focused areas for improvement at present are:

- Reduction in overall Carbon Footprint (PAI 2);
- Reduction in GHG intensity of Investee Companies (PAI 3); and
- Share of non-renewable energy consumption and production (PAI 5).

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

JLEN will ensure that the projects have in place policies that cover topics such as Sustainability and ESG, Modern Slavery, Inclusion and Diversity, Anti-Bribery and Corruption, Health and Safety, Stakeholder Engagement, Whistleblowing, Cyber Security. The contents of these policies have been informed by the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Furthermore, on engaging counterparties, they are requested to agree to the Investment Manager's Supplier Code of Conduct, which specifically references adherence to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, thus ensuring compliance across both JLEN's SPVs and its supplier base.

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



Does this financial product consider principal adverse impacts on sustainability factors?

- ✘ Yes - As noted above, the Investment Manager collects monthly, asset level sustainability and ESG data enabling reporting against the mandatory principal adverse impact indicators in Table 1 Annex 1 of the RTS.

Further information will be reported in the Company's periodic report as well as the annual Sustainability and ESG report which can be found on the website: [Publications - JLEN - JLEN Environmental Assets Group](#).

No



What investment strategy does this financial product follow?

The Company's full Investment Policy is set out in its Investor Disclosure Document dated 5 May 2021 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.

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

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 fund's mandate and would be unlikely to gain Investment Committee approval.

At an investment level, JLEN ensures that all potential investments undertaken meet the Fund'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 investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

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.

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

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 Fund’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.

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

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 (as detailed further below).

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

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

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



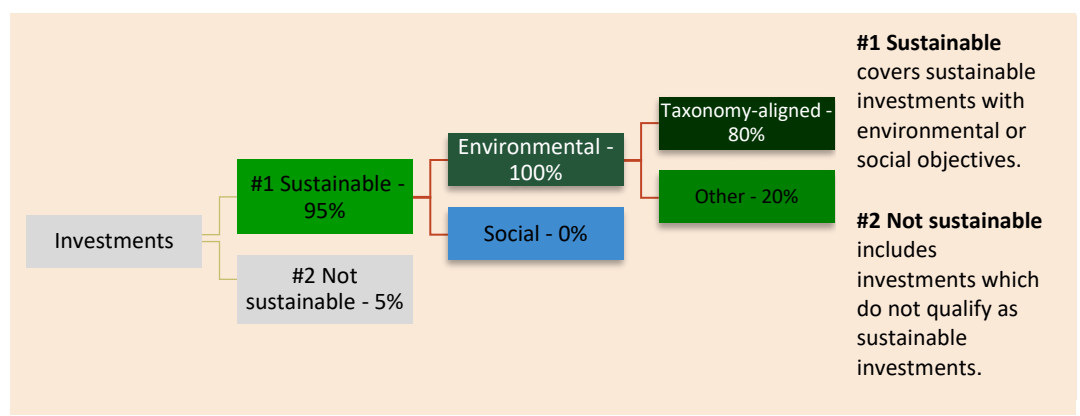
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

of 5% of the Company's assets in investments will be categorised as "#2 Not sustainable"; this allocation relates to the cash reserve (as detailed further below).

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).



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

Where investments are made in currencies other than pounds sterling, the Company will consider whether to hedge currency risk in accordance with the Company's currency and hedging policy. Interest rate hedging may be carried out to provide protection against increasing costs of servicing debt drawn down by the Company to finance investments.

This may involve the use of interest rate derivatives and similar derivative instruments. Hedging against inflation may also be carried out where appropriate and this may involve the use of RPI swaps and similar derivative instruments. The currency, interest rate and any inflationary hedging policies will be reviewed on a regular basis to ensure that the risks associated with movements in foreign exchange rates, interest rates and inflation are being appropriately managed.

In this way, given the nature of the Company's sustainable investments, and in order to facilitate investments in currencies other than pounds sterling, the Company may invest in derivative instruments in order to attain the sustainable investment objective. Therefore, any hedging transactions entered into by JLEN are for the purpose of enabling the Company's sustainable investment objective.



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

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

JLEN does not seek independent assurance or review of the Fund's compliance with the requirements of Article 3 of EU Taxonomy.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

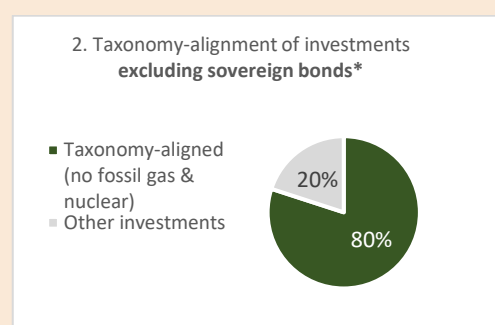
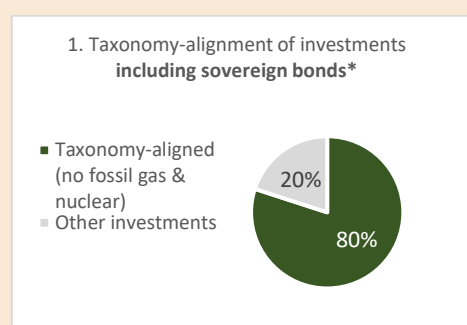
Yes

In fossil gas

In nuclear energy

No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



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

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

JLEN plans that no more than 20% of its assets will be invested into transitional and enabling activities with a long-term plan to further reduce this percentage over time as transitional and enabling activities become less necessary.



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

As noted above, JLEN plans that a maximum proportion of 20% of the Company's investments will be in sustainable investments with a climate change mitigation objective but that are not aligned with the EU Taxonomy.



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

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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

JLEN has no plan to make any investments in sustainable investments with a social objective.



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

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.



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

A specific index has not been designated as a reference benchmark for the fund.

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

N/A

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

N/A

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

N/A

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

N/A

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



Where can I find more product specific information online?

More product-specific information can be found on the website: [Publications - JLEN - JLEN Environmental Assets Group](#)