



JLEN



JLEN Environmental Assets Group Limited

SFDR Product Disclosure

May 2021

SUSTAINABLE INVESTMENT OBJECTIVE

JLEN Environmental Assets Group Limited (“JLEN” or the “Company”) is considered to be an Article 9 product for the purposes of the EU Sustainable Finance Disclosure Regulation (“SFDR”). The Company 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, which JLEN defines as infrastructure 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 the effects of climate change.

Due to the inherent nature of JLEN’s environmental infrastructure assets, 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 in hydropower, solar and wind projects. JLEN has also made a substantial investment into Foresight Energy Infrastructure Partners SCSp which aims to generate returns from investing in infrastructure assets that contribute to the decarbonisation of electricity networks. However, the Company does not use an EU Climate Transition or Paris-aligned benchmark as a reference. JLEN’s contributions to decarbonisation are measured, tracked and reported on regularly.

INVESTMENT STRATEGY

The Company’s full Investment Policy is set out in its Investor Disclosure Document dated 5 May 2021 which can be found at www.jlen.com/investor-relations/publications/.

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.

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. 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 the Company’s Investment Adviser, Foresight Group LLP. The Company publishes an annual Sustainability and ESG report articulating its commitment to sustainability and ESG and setting out its core ESG principals and objectives.

ATTAINMENT OF THE SUSTAINABLE INVESTMENT OBJECTIVES

To ensure that the Company’s investments meet its values and are consistent with its approach to sustainable investing:

- third party advisers are appointed by JLEN to undertake **due diligence** on environmental infrastructure investments prior to investment;
- the Investment Adviser actively **monitors** sustainability-linked opportunities and ESG risks facing each of the investments at all stages of the investment process - from initial investment screening, through pre-investment due diligence, and into post-investment monitoring and investor reporting; and
- following the acquisition of an asset, the Investment Adviser implements **engagement policies** involving active oversight, maintenance and enhancement.

The Investment Adviser measures the attainment of its sustainable investment objective through the integrated application of a range of ‘Sustainability Evaluation Criteria’ (“SEC”) across the investment lifecycle with measurable indicators which are used in the evaluation of all projects, including for example:

- contribution to sustainable development;
- environmental footprint;
- social engagement; and/or
- governance and third-party interactions.

The Investment Adviser gathers information to complete SEC scoring for particular assets from a variety of sustainability due diligence tools. As and when required, technical advisers will provide feedback on pertinent questions relating to sustainability. JLEN will also confirm that the project counterparties have in place policies that cover topics such as modern slavery, diversity promotion, employee growth and corporate social responsibility. The Company and the Investment Adviser are also expanding their adviser engagements to report in greater detail on community engagement or the impact of projects on local communities and their environment. It is also worth noting that 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 Adviser also has robust processes in place to capture data and report on environmental and social aspects of the Company’s investments. In addition, JLEN intends to expand on the data that is being captured and reported on. To ensure environmental and social performance measures are accurate and reliable, where appropriate, JLEN or the Investment Adviser 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.

Metrics used to assess, measure and monitor the environmental aspects of investments include:

Indicator	Metric
Forecast CO2 emissions avoided	t CO2e
Electricity generation capacity from renewable energy sources	MW
Electricity produced from renewable energy sources	GWh/yr
Forecast households which could be supplied with the energy generated by the portfolio	No. of households
Wastewater treated	Litres
Waste diverted from landfill	Tonnes
Organic fertiliser produced	Tonnes
Contribution to community funds	£

ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

“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. Neither the Company nor the Investment Adviser currently report on the principal adverse impact indicators in accordance with the draft Regulatory Technical Standards (“RTS”) of the SFDR. The Investment Adviser uses some environmental-based metrics to assess the performance of investments but this is not strictly in the manner prescribed by the SFDR for the purpose of principal adverse impacts.

SUSTAINABILITY RISKS

“Sustainability risk” means an ESG event or condition that, if it occurs, could have an actual or potential material negative impact on the value of the investment.

The identification, assessment and management of risk are integral aspects of the Investment Adviser’s work in both managing the existing portfolio on a day-to-day basis and pursuing new investment opportunities. At present, sustainability risks are assessed in the following ways:

- climate change risk assessments are integrated into the Company’s standard risk management process;
- technical consultants are engaged to advise on performance assumptions relating to assets;
- the Investment Adviser ensures that all appropriate measures are taken to maximise the technical performance of each asset post-acquisition;
- in order to manage variations in resource availability following the acquisition of an asset, JLEN engages third-party service providers to ensure that each asset is as resilient as possible, and invests in a range of environmental infrastructure technologies; and
- JLEN works to maximise resource efficiency by installing enhancements to boost the performance of its assets, such as wind assets.

Certain environmental risks are relevant to the Company’s investments as their occurrence could give rise to a material, negative impact on returns. The key risks associated with the investment strategy, objectives and techniques of the Company are contained in the “Risk Factors” section of the Prospectus dated 23 February 2018 (available at www.jlen.com/wp-content/uploads/2018/02/Prospectus-23.02.18.pdf). The exact potential impact of these risks cannot be quantified as it depends on the scale of the event.