



ESG POLICY

Our commitment

All our corporate and investment decisions are evaluated against the associated environmental, social and governance (ESG) risks to deliver transparency, mitigate investment risk and to enhance investment returns in the best interests of our clients, other stakeholders and investee communities.

We monitor a broad set of ESG factors. The impacts of our investment are measured through the use of Sustainability Indicators which we use to measure progress in addressing each ESG factor.

Our exclusion criteria

In order to ensure that we only add investments to our portfolio that deliver economic and social progress, we use exclusion criteria to eliminate certain investments on both a top-down and bottom-up basis.

Top-down exclusions are made by screening potential investments on a country and sector basis. Countries are screened against criteria set by, for example, the Transparency International Corruption Perceptions Index. Certain sectors are also excluded from investment if they are not considered socially and environmentally responsible. Bottom-up exclusions are made by screening at the level of the potential investment. This includes analysis of the operational activities of the company and the track record, affiliations and good-standing of the investment sponsors.

WHAT IS ESG?

ESG factors are non-financial factors that affect and can be affected by our business activities. If not addressed appropriately, they can escalate into significant risks. We fully comply with all laws and regulations, at all times and in all jurisdictions, following industry standard environmental, social and corporate governance ('ESG') guidelines and best practices.



ENVIRONMENTAL FACTORS

ThomasLloyd must evidence plans to prevent, mitigate and control serious environmental damage resulting from accidents and incidents related to all activities, including immediate reporting to the relevant authorities.



SOCIAL FACTORS

ThomasLloyd must respect and secure labour rights, maintain safe working conditions and develop diverse human capital through training and education programmes. ThomasLloyd must avoid exploitation of child labour, reject all forms of discrimination and embed equality and diversity in our employment policies.



GOVERNANCE FACTORS

ThomasLloyd must apply and evidence a code of conduct and a risk management system to prevent all forms of bribery, corruption and money laundering.

Meeting and exceeding international standards

Our achievements and future commitment to Responsible Investing were recognised in July 2020 by the Board of LuxFLAG which resolved to grant the use of the [LuxFLAG Environment Label](#). The label is recognised for its high standards and rigorous assessment of applicant investment funds' investment strategy and ESG integration into the investment process.

ThomasLloyd is a signatory to UN Principles of Responsible Investment and supporter of the [Task force on Climate-related Financial Disclosures](#) (TCFD). We map our impact outcomes against the [UN's 17 Sustainable Development Goals](#) (SDGs) and measure our contribution to environmental improvements using internationally agreed standards. We play an active part in the transition to a low-carbon future and fully support the aims of the [Intergovernmental Panel on Climate Change](#) (IPCC).

Creating full transparency

We produce quarterly investor reports which detail activities at all the projects within our investment set. These reports are published and are publicly available on our website, and we aim at all times to inform our investors of the outcomes of our investment practices with utmost transparency. On an annual basis, we publish comprehensive Impact Reports which evidence the socio-economic impact of the investments we have made. We analyse publicly-available, but rarely viewed, official data on local tax revenues and the public works they finance. We know the transformation our investments have made because we see it with our own eyes, are told of it by local political leaders and can evidence it through robust data-reporting from official statistical agencies. Our Impact Reports tell a powerful story of economic partnership and social progress.



DOWNLOADS

- [Impact Report India](#)
- [Impact Report Philippines](#)

