

## **SFDR Disclosures – No consideration of adverse impacts of its investment decisions and investment advice on sustainability factors**

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“Sustainable Finance Disclosure Regulation” or “SFDR”) became applicable as of 10 March 2021. The SFDR aims to increase transparency regarding how financial market participants and financial advisers integrate sustainability risks into their investment decisions and advice, specifically by way of Principal Adverse Impacts (“PAIs”).

Templar EIS Ltd falls within the scope of the SFDR and hereby discloses the information required in accordance with its regulatory obligations.

Templar EIS Ltd is considered a financial market participant in respect of its discretionary investment services and as a financial adviser when providing investment advice. At present, Templar EIS Ltd does not consider the principal adverse impacts of its investment decisions or investment advice on sustainability factors.

As part of its suitability assessment processes, Templar EIS Ltd gathers information regarding clients’ sustainability preferences. This includes preferences concerning environmentally sustainable investments, sustainable investments, and other investment approaches that consider PAIs. These preferences are used to ensure that investment decisions and/or advice align with the client's stated sustainability objectives.

Without prejudice to its responsibility to consider and incorporate client sustainability preferences, Templar EIS Ltd employs an Investment Committee which determines the financial instruments made available to clients and the firm’s overall investment strategy. Investment selection is based on a combination of the instrument's nature and complexity, financial characteristics, and, where relevant, non-financial information. While Templar EIS Ltd may take non-financial information into account, it does not currently assess the PAIs of its investment decisions on sustainability factors.

Under SFDR, PAIs are determined using specific adverse sustainability indicators and require complex, consistent metrics that apply across different types of investments, including corporate securities, sovereign and supranational bonds, and real estate.

Templar EIS Ltd offers a range of investment opportunities across multiple sectors and asset classes. Given the current limitations in reliable, standardized ESG data applicable across these instruments, and considering the firm’s size and operational structure, Templar EIS Ltd has opted not to formally incorporate PAIs into its investment decisions or advice, as provided under Article 4 of SFDR.

Nonetheless, Templar EIS Ltd evaluates known or potential Environmental, Social, or Governance (ESG) factors that could materially impact the long-term financial performance of an investment. The firm also aims to avoid investments that are clearly inconsistent with its understanding of socially or environmentally responsible investing.

Templar EIS Ltd continues to monitor the development and availability of ESG data and frameworks, and may review and amend its current approach to PAIs in the future should there be a material improvement in data quality and regulatory clarity.

### **Remuneration Policy**

Templar EIS Ltd maintains a transparent and risk-neutral remuneration policy. In accordance with Article 5 of the SFDR concerning the transparency of remuneration policies in relation to the integration of sustainability risks, Templar EIS Ltd does not employ remuneration structures that incentivize risk-taking, including sustainability-related risks. The firm’s remuneration practices are predominantly fixed, with any variable remuneration representing a small component based on qualitative performance and job responsibilities, rather than quantitative sales targets. As such, Templar EIS Ltd’s remuneration structure is considered neutral with respect to sustainability risks.

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