

Harmony Energy Income Trust plc

Environmental Policy

Approved and adopted by the Board of Directors of Harmony Energy Income Trust plc
on 22 May 2024

1. Introduction

Harmony Energy Income Trust plc (the "**Company**") is an investment company focused on investing in energy storage and complementary renewable energy generation assets, with an initial focus on a diversified portfolio of utility scale battery energy storage systems ("**BESS**") in Great Britain.

The Company's assets support the renewable energy transition through their role in enabling the integration of more electricity from renewable sources into the electricity grid and reducing reliance on fossil fuel generation.

The Company also recognises the link between the sound management of material Environmental, Social, and Governance ("**ESG**") issues and the creation of long-term investment value.

2. Purpose

This Environmental Policy (the "**Policy**") outlines how environmental impacts, dependencies, risks, and opportunities are identified, managed, and mitigated by Harmony Energy Income Trust plc and its direct and indirect subsidiaries (the "**Group**"); how environmental considerations should be integrated into the activities of Group; and what environmental standards should be adhered to by the Group's suppliers, service providers and partners.

3. Scope

This Policy applies to the Group from the date of adoption.

This Policy is embedded in the Company's Supplier Code of Conduct, and all suppliers, service providers and business partners of the Group are expected to implement effective systems to adhere to this Policy.

4. Governance, roles, and responsibilities

The Board of the Company has ultimate responsibility for implementation and oversight of this Policy. The Board has delegated certain environment-related activities to its committees:

- The Board has delegated environmental performance monitoring to the ESG Committee (the "**Committee**"). Meeting at least once a year, the Committee also provides a forum for discussion and support to the Investment Adviser (as defined below) with respect to the implementation of the environment strategy, plan, and performance. The

Chairperson of the Committee reports formally to the Board on the Committee's proceedings after each meeting.

- The Board has delegated environment risk evaluation and oversight to the Audit and Risk Committee (the "**ARC**"). Meeting at least three times a year, the duties of the ARC include ongoing evaluation of the risk management and internal controls of the Company, including environment-related risks and opportunities. The Chairperson of the ARC reports formally to the Board on the ARC's proceedings after each meeting.
- The Board has delegated monitoring and reviewing of service providers' environmental performance to the Management Engagement Committee (the "**MEC**"). Meeting at least once a year, the MEC is responsible for monitoring the performance of service providers, including their environmental performance and adherence to the Supplier Code of Conduct. The Chairperson of the MEC reports formally to the Board on the MEC's proceedings after each meeting.

Harmony Energy Advisors Limited (the "**Investment Adviser**") is responsible for ensuring the effective implementation of this Policy in all investment processes, asset management and any relevant supply chain activities. The Company also requires that the Investment Adviser takes responsibility for the preparation and provision of relevant environmental metrics for disclosure.

The commitments made within this Policy will be delivered by the Company's key suppliers and service providers, who work together to monitor, manage, and report environmental performance across the asset lifecycle and any relevant supply chain activities.

5. Policy

The net zero transition is central to the Company's strategy and purpose. However, the Company recognises that its activities – and those of its subsidiaries – impact the environment. This Policy sets out the Company's commitment to minimise negative impacts and to deliver, where possible, positive outcomes through its activities.

The Company is committed to ensuring that its assets are designed, constructed, operated, and decommissioned in compliance with all relevant legal and regulatory obligations. It seeks to exceed these minimum standards, wherever possible, through the following policy principles:

- **Climate change and greenhouse gas emissions**

The Company's assets support decarbonisation by enabling the integration of more renewable electricity onto the system and displacing fossil fuel generation. The Company is also committed to seeking solutions to reduce direct and indirect greenhouse gas emissions associated with the design, procurement, construction, operation and decommissioning of its assets. The Company will assess climate change risks and opportunities associated with its activities periodically.

- **Resources and waste**

The Company is committed to minimising the consumption of resources and production of waste through the asset lifecycle and sourcing materials that have a sustainable lifecycle impact. It is also committed to working with suppliers to implement circular practices by increasing the use of recycled materials and ensuring that waste and equipment is reused, recycled, or repurposed as far as is practical through the asset lifecycle and at end-of-life. For any remaining waste, the Company is committed to minimising waste going to landfill.

- **Energy**

The Company is committed to reducing energy consumption and improving the energy efficiency of the design, construction, operation and decommissioning of its assets. The Company promotes the use of low carbon energy sources across its activities and the adoption of renewable energy more widely in the energy system.

- **Water**

Recognising that the Company has an impact on water through its operations and through its supply chain, particularly for its batteries, it is committed to responsible water management. This includes integrating appropriate water drainage systems and flood risk controls throughout the asset lifecycle. During the construction, operational and decommissioning phases, this includes ensuring that water discharge is monitored and executed within environmental parameters to prevent water pollution. The Company is committed to reducing water consumption throughout its operations and in the supply chain.

- **Pollution**

The Company is committed to controlling air emissions that pose a hazard to the environment resulting from its operations.

- **Land use**

The Company is committed to responsible land use. Sites are designed wherever possible to deliver multi-functional land use, such as facilitating agricultural activities, promoting biodiversity, increasing habitats, and supporting the recovery of land after intensive farming.

- **Biodiversity and nature**

The Company is committed to reducing negative impacts of its assets on nature and biodiversity. It is committed to protecting and preserving enhancing biodiversity and minimising negative impacts and dependencies on ecosystems. The Company will safeguard protected species and habitats, identify biodiversity-sensitive areas, and comply with its legal and planning commitments. The Company strives to enhance biodiversity where possible, and it has set a target to deliver a biodiversity net gain at all existing sites and a minimum 10% BNG at newly acquired sites.

- **Other environmental impacts**

The Company is committed to identifying, assessing, and mitigating other negative impacts of its assets on the local environment. This includes, but is not limited to, controlling dust, noise, and visual impacts.

- **Supply chain**

The Company recognises that it has indirect environmental impacts, particularly through the design, procurement, construction, and decommissioning phases of its assets. The Company is committed to promoting and requiring environmental commitments, as outlined in its Supplier Code of Conduct, throughout its supply chain.

6. Relevant frameworks and standards

The Company is committed to using and reporting to internationally recognised frameworks and standards. For this Policy, the Sustainability Accounting Standards Board, United Nations Sustainable Development Goals, Recommendations from the Task Force on Climate-Related Financial Disclosures, Recommendations from the Task Force on Nature-Related Financial Disclosures, EU Sustainable Finance Disclosure Regulation, the United Nations Principles for Responsible Investment and EU Taxonomy for Sustainable Activities were consulted by the Company.

7. Reporting and disclosure

Reporting and disclosure are important for investors and other stakeholders in understanding how environmental risks and opportunities are identified, monitored, and managed. The Company is committed to reporting its environmental strategy, plan, and performance publicly. The Company will publish an environmental performance update annually as part of its financial reporting disclosures.

8. Review

The ESG Committee is responsible for the review of this Policy at least annually to ensure its effectiveness. Any revisions will be recommended to the Board for consideration and approval.