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ANNEX 1

ANNEX

to the

Commission Delegated Regulation (EU) .../...

supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports

ANNEX I

Template principal adverse sustainability impacts statement

For the purposes of this Annex, the following definitions shall apply:

(1) ‘scope 1, 2 and 3 GHG emissions’ means the scope of greenhouse gas emissions referred to in points (1)(e)(i) to (iii) of Annex III to Regulation (EU) 2016/1011 of the European Parliament and of the Council[1];

(2) ‘greenhouse gas (GHG) emissions’ means greenhouse gas emissions as defined in Article 3, point (1), of Regulation (EU) 2018/842 of the European Parliament and of the Council[2];

(3) ‘weighted average’ means a ratio of the weight of the investment by the financial market participant in an investee company in relation to the enterprise value of the investee company;

(4) ‘enterprise value’ means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;

(5) ‘companies active in the fossil fuel sector’ means companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council[3];

(6) ‘renewable energy sources’ means renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas;

(7) ‘non-renewable energy sources’ means energy sources other than those referred to in point (6);

(8) ‘energy consumption intensity’ means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the total energy consumption of that investee company;

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[1] Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

[2] Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).

[3] Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

(9) ‘high impact climate sectors’ means the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council[4];

(10) ‘protected area’ means designated areas in the European Environment Agency’s Common Database on Designated Areas (CDDA);

(11) ‘area of high biodiversity value outside protected areas’ means land with high biodiversity value as referred to in Article 7b(3) of Directive 98/70/EC of the European Parliament and of the Council[5];

(12) ‘emissions to water’ means direct emissions of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council[6] and direct emissions of nitrates, phosphates and pesticides ;

(13) ‘areas of high water stress’ means regions where the percentage of total water withdrawn is high (40-80%) or extremely high (greater than 80%) in the World Resources Institute’s (WRI) Water Risk Atlas tool “Aqueduct”;

(14) ‘hazardous waste and radioactive waste’ means hazardous waste and radioactive waste;

(15) ‘hazardous waste’ means hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council[7] ;

(16) ‘radioactive waste’ means radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom[8];

(17) ‘non-recycled waste’ means any waste not recycled within the meaning of ‘recycling’ in Article 3(17) of Directive 2008/98/EC;

(18) ‘activities negatively affecting biodiversity-sensitive areas’ means activities that are characterised by all of the following:

(a) those activities lead to the deterioration of natural habitats and the habitats of species and disturb the species for which a protected area has been designated;

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4 Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains Text with EEA relevance (OJ L 393, 30.12.2006, p. 1–39).

5 Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC (OJ L 350, 28.12.1998, p. 58).

6 Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

7 Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3).

8 Council Directive 2011/70/Euratom of 19 July 2011 establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste (OJ L 199, 2.8.2011, p. 48).

(b) for those activities, none of the conclusions, mitigation measures or impact assessments adopted pursuant to any of the following Directives or national provisions or international standards that are equivalent to those Directives have been implemented:

(i) Directive 2009/147/EC of the European Parliament and of the Council[9];

(ii) Council Directive 92/43/EEC[10];

(iii) an Environmental Impact Assessment (EIA) as defined in Article 1(2), point (g), of Directive 2011/92/EU of the European Parliament and of the Council[11];

(iv) for activities located in third countries, conclusions, mitigation measures or impact assessments adopted in accordance with national provisions or international standards that are equivalent to the Directives and impact assessments listed in points (i), (ii) and (iii);

(19) 'biodiversity-sensitive areas' means Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as other protected areas, as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139[12];

(20) 'threatened species' means endangered species, including flora and fauna, listed in the European Red List or the IUCN Red List, as referred to in Section 7 of Annex II to Delegated Regulation (EU) 2021/2139;

(21) 'deforestation' means the temporary or permanent human-induced conversion of forested land to non-forested land;

(22) 'UN Global Compact principles' means the ten Principles of the United Nations Global Compact;

(23) 'unadjusted gender pay gap' means the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees;

(24) 'board' means the administrative, management or supervisory body of a company;

(25) 'human rights policy' means a policy commitment approved at board level on human rights that the economic activities of the investee company shall be in line with the UN Guiding Principles on Business and Human Rights;

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9 Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7).

10 Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).

11 Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 026, 28.1.2012, p. 1).

12 Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (OJ L 442, 9.12.2021, p. 1).

(26) ‘whistleblower’ means ‘reporting person’ as defined in Article 5(7) of Directive (EU) 2019/1937 of the European Parliament and of the Council[13];

(27) ‘inorganic pollutants’ means emissions within or lower than the emission levels associated with the best available techniques (BAT-AEL) as defined in Article 3, point (13) of Directive 2010/75/EU of the European Parliament and of the Council[14], for the Large Volume Inorganic Chemicals- Solids and Others industry;

(28) ‘air pollutants’ means direct emissions of sulphur dioxides (SO_2), nitrogen oxides (NO_x), non-methane volatile organic compounds (NMVOC), and fine particulate matter ($PM_{2,5}$) as defined in Article 3, points (5) to (8), of Directive (EU) 2016/2284 of the European Parliament and of the Council[15], ammonia (NH_3) as referred to in that Directive and heavy metals (HM) as referred to in Annex I to that Directive;

(29) ‘ozone depletion substances’ mean substances listed in the Montreal Protocol on Substances that Deplete the Ozone Layer.

For the purposes of this Annex, the following formulas shall apply:

(1) ‘GHG emissions’ shall be calculated in accordance with the following formula:

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{investee\ company's\ enterprise\ value_i} \times investee\ company's\ Scope(x)\ GHG\ emissions_i\right)$$

(2) ‘carbon footprint’ shall be calculated in accordance with the following formula:

$$\frac{\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{investee\ company's\ enterprise\ value_i} \times investee\ company's\ Scope\ 1, 2\ and\ 3\ GHG\ emissions_i\right)}{current\ value\ of\ all\ investments\ (€M)}$$

13 Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L305, 26.11.2019, p. 17).

14 Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

15 Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC (Text with EEA relevance), *OJ L 344, 17.12.2016, p. 1–31*

(3) 'GHG intensity of investee companies' shall be calculated in accordance with the following formula:

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€M)} \times \frac{investee\ company's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i}{investee\ company's\ €M\ revenue_i}\right)$$

(4) 'GHG intensity of sovereigns' shall be calculated in accordance with the following formula:

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€M)} \times \frac{The\ country's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i}{Gross\ Domestic\ Product_i(€M)}\right)$$

(5) 'inefficient real estate assets' shall be calculated in accordance with the following formula:

$$\frac{((Value\ of\ real\ estate\ assets\ built\ before\ 31/12/2020\ with\ EPC\ of\ C\ or\ below) + (Value\ of\ real\ estate\ assets\ built\ after\ 31/12/2020\ with\ PED\ below\ NZEB\ in\ Directive\ 2010/31/EU))}{Value\ of\ real\ estate\ assets\ required\ to\ abide\ by\ EPC\ and\ NZEB\ rules}$$

For the purposes of the formulas, the following definitions shall apply:

(1) 'current value of investment' means the value in EUR of the investment by the financial market participant in the investee company;

(2) 'enterprise value' means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;

(3) 'current value of all investments' means the value in EUR of all investments by the financial market participant;

(4) 'nearly zero-energy building (NZEB)', 'primary energy demand (PED)' and 'energy performance certificate (EPC)' shall have the meanings given to them in paragraphs 2, 5 and 12 of Article 2 of Directive 2010/31/EU of the European Parliament and of the Council[16].

16 Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (recast) (OJ L 153, 18.6.2010, p. 13)

Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant Harmony Energy Income Trust plc (254900O3XI3CJNTKR453)
Summary Harmony Energy Income Trust plc (the "**Company**") is a financial product as defined in Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "**Disclosure Regulation**"). The Company is not within the scope of the Disclosure Regulation, because it is not marketed into the EU, however if it was within the scope of the Disclosure Regulation it would be categorised as a financial product which promotes environmental or social characteristics, within the meaning of Article 8 of the Disclosure Regulation. The Company has elected to prepare a report on a voluntary basis as if it were within the scope of the Disclosure Regulation. The Company has voluntarily elected to consider and report the principal adverse impacts ("**PAIs**") of its investment decisions on sustainability factors. This statement is the consolidated statement on PAIs on sustainability factors of the Company and its portfolio of wholly owned battery energy storage ("**BESS**") assets. 100% of the investments held by the Company are allocated to BESS assets, meeting the environmental characteristics promoted by the Company. These assets sit within wholly owned special purpose vehicles ("**SPVs**"). During the reference period, the Company held investments in eight BESS assets located in Great Britain. For transparency, the Company has chosen to collect SPV and holding company data to reflect the PAIs of the portfolio as a whole. The EU Commission Delegated Regulation 2022/1288 supplementing the Disclosure Regulation (the "**Delegated Regulation**") stipulates that PAIs must relate to reference periods that run from 1 January until 31 December. However, given that the Company has elected to prepare a report on a voluntary basis as if it were within Scope of the Disclosure Regulation, it has chosen to report PAIs according to its existing financial year (1 November to 31 October) in line with other ESG data reporting undertaken by the Company to allow for consistent reporting of ESG data and to avoid the risk of potentially confusing stakeholders who would otherwise be in receipt of two reports relating to different sets of ESG data. Accordingly, this statement of PAIs on sustainability factors covers the reference period of 1 November 2022 to 31 October 2023. The Company has described how each of the PAI indicators are calculated in the tables below. The Company has not applied the quarterly averages stipulated by the Delegated Regulation when calculating the PAI indicators due to the voluntary nature of its reporting to allow consistent reporting of the Company's ESG data disclosed in the Annual Report and Accounts.

For transparency on the definitions applied, the Company defines “current value of investment” and “current value of all investments” as the sum of the market capitalisation of ordinary shares and debt.

Description of the principal adverse impacts on sustainability factors

The Company has evaluated and reported on all mandatory PAI indicators within this statement. The Company has also identified an additional two voluntary PAI indicators to report against:

- Lack of a human rights policy: Share of investments in entities without a human rights policy
- Natural species and protected areas: Share of investments in investee companies whose operations affect threatened species; Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas.

For the next period, the Company aims to increase the quality of data and the coverage of reporting where possible. For example, when calculating the Company’s GHG emissions, collecting activity data over spend-based data will be a priority for business travel, as well as waste and water use data to ensure more granular detail. For avoided GHG emissions, future developments will be closely monitored to ensure the methodology is aligned with current best practice guidance to provide the most accurate assessment of the carbon avoidance potential of BESS.

The Company is committed to improving its ESG performance over time and it will continue to monitor and report against the PAI indicators as well as other material ESG performance indicators annually.

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		**Metric**	**Impact 2022/23**	**Impact 2021/22**	**Explanation**	**Actions taken, and actions planned, and targets set for the next reference period**
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	0 tCO_2e	Not applicable – this is the first year of reporting	Scope 1 emissions relate to total on-site generated energy consumption (stationary combustion) and total vehicle and equipment consumption (mobile combustion). The Company had zero Scope 1 GHG emissions during the period.	Not applicable - with no employees, physical offices or vehicles, the Company had zero Scope 1 GHG emissions during the period. Emissions associated with the combustion of fossil fuels at SPV-level BESS sites are attributed to third party suppliers and accounted for under Scope 3 accordingly.
		Scope 2 GHG emissions	1,323 tCO_2e	Not applicable	Scope 2 emissions relate to electricity consumed and lost on operational BESS sites. Electricity consumption and losses figures are calculated based on the difference between half-hourly energy import and export data. To calculate Scope 2 emissions relating to the operation of the batteries, UK National grid carbon intensity values are applied to electricity consumption and losses data.	The Company is committed to working with partners, including BESS equipment and optimisation providers, to maximise opportunities to improve the operational efficiency of BESS assets.
		Scope 3 GHG emissions	153,607 tCO_2e	Not applicable	When calculating Scope 3 GHG emissions, the relevant categories for the Company include: • Category 1: Purchased goods and services – professional services purchased by the Company.	Given the nature of the Company's activities, most of its emissions are attributed to Scope 3. The Company and the Investment Adviser are committed to continuously enhancing the accuracy

					• Category 6: Business travel – Non-executive Board business travel. Scope 3 GHG emissions for the Company that derive from SPV-level activities include: • Category 1: Purchased goods and services – goods and services purchased by SPVs; • Category 2: Capital goods – cradle-to-supplier gate emissions of capital goods (e.g. battery packs and transformers) purchased or acquired by SPVs; • Category 3: Fuel and energy related activities – well-to-tank ("**WTT**") and transmission & distribution ("**T&D**") emissions of electricity consumed or lost on SPV sites; • Category 5: Waste generated in operations – waste generated on-site, and disposal of equipment (e.g. battery packs) at the end of its life; and • Category 11: Use of sold products – upstream emissions of the electricity exported to the grid (i.e. not consumed or lost on site).	of Scope 3 emissions data and reducing indirect climate impacts where possible. Upstream emissions relating to BESS equipment are a significant contributor to the Company's Scope 3 emissions. As such, during the period, the Investment Adviser engaged with its key BESS equipment suppliers regarding the measurement and management of supply chain climate impacts. Cradle-to-gate carbon LCA data for BESS packs was used in the Company's 2023 GHG inventory, enhancing data accuracy. The Company is committed to ensuring that its operational BESS assets are optimised for carbon reductions when providing different services to the electricity grid. During the period, the Company enhanced its understanding of the carbon impact of different BESS actions. In future, carbon impact will be considered as part of the BESS optimisation strategy. Additionally, the Investment Adviser has implemented initiatives to reduce its environmental impact, including travel policies to encourage rail use, an electric vehicle salary sacrifice scheme and flexible working to reduce commuting.
		Total GHG emissions	154,930 tCO_2e	Not applicable	This indicator is a sum of Scope 1, 2 and 3 GHG emissions.	The Company will continue to monitor the emissions of the SPVs

					The greenhouse gas ("**GHG**") inventory is calculated in line with the World Resource Institute's ("**WRI**") internationally recognised reporting standard the GHG Protocol. The Company defines its organisational boundaries using the equity share approach as per the GHG Protocol Corporate Standard, whereby a company accounts for GHG emissions from operations according to its share of equity in the operation. This approach focuses on including GHG emissions from activities that are under the financial control of the reporting company, presenting a more accurate picture of the Company's environmental impact by including GHG emissions from entities it has a significant influence over. Under the equity share approach, all SPVs are within the Company's organisational boundary, as they are fully owned subsidiaries. Under the methodology used, the construction and materials' GHG emissions for a project will be recognised only once the construction of that project is complete.	and seek to reduce them where possible.
	2. Carbon footprint	Carbon footprint	562 tCO_2e/€M	Not applicable	This indicator is calculated by dividing total GHG emissions by current value of all investments (€m) based on the Company's accounting records. As the Company's financial information is reported in British Pounds Stirling, a conversion from British Pounds Stirling to Euros was applied using the exchange	As above.

					rate as of 31 October 2023 as part of the calculation.	
	3. GHG intensity of investee companies	GHG intensity of investee companies	20,142 tCO_2e/€M	Not applicable	This indicator is calculated by dividing total GHG emissions by revenue (€m) based on the Company's accounting records. As the Company's financial information is reported in British Pounds Stirling, a conversion from British Pounds Stirling to Euros was applied using the exchange rate as of 31 October 2023 as part of the calculation.	As above.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	Not applicable	This indicator is calculated by measuring the percentage of revenues derived from activities relating to the fossil fuel sector.	In line with its investment restrictions, the Company makes no 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 of total energy sources	64%	Not applicable	This indicator measures the percentage of the Company's energy consumption and production derived from non-renewable sources relative to renewable sources. This calculation is based on asset-level energy data split by energy source.	The share of non-renewable energy stored and consumed by the Company's BESS was 64%. The share of non-renewable energy reflects the grid energy mix at the time energy is imported by BESS assets. The share of non-renewable energy imported and consumed is expected to decrease as the overall proportion of energy from renewable sources on Great Britain's energy system increases. The Company's focus on increasing energy arbitrage actions relative to ancillary services actions in accordance with its revenue strategy will also increase the proportion of renewables consumed by the BESS assets.

	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	1.91 GWh/€M	Not applicable	This indicator measures energy consumption intensity per high impact climate sector as defined by Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council. The Company falls into the high impact climate sector of "Electricity, Gas, Steam, and Air Conditioning Supply". As the Company's financial information is reported in British Pounds Stirling, a conversion from British Pounds Stirling to Euros was applied using the exchange rate as of 31 October 2023 as part of the calculation.	The Company is committed to seeking opportunities to improve the operational efficiency of BESS assets to reduce energy consumption.
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	0%	Not applicable	The indicator is calculated through asset-level screening to identify operations in or near a biodiversity-sensitive area and to assess whether the activities negatively impact these areas. The Company conducted a mapping assessment of its BESS assets to determine if any SPVs are in or near a biodiversity sensitive area. Biodiversity sensitive areas are defined by the SFDR as 'including the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ("**KBAs**"), as well as other protected areas' (Appendix D of Annex II). An area of high biodiversity value outside protected areas means land with high biodiversity value as referred to in Article 7b(3) of Directive 98/70/EC of	The Company is committed to protecting biodiversity where it operates and it has set a target to deliver a biodiversity net gain at all existing sites and a minimum 10% biodiversity net gain at newly acquired sites. The Company and the Investment Adviser work with environmental specialists and ecologists to assess biodiversity impacts, dependencies, and enhancement opportunities. These assessments inform asset-specific habitat creation and maintenance action plans which ensure that biodiversity considerations are embedded across the asset lifecycle. Action plans are

					the European Parliament and of the Council. The assessment concluded that none of the Company’s investments sits within biodiversity sensitive areas as per this definition. The SFDR provides no guidance on what classifies as “near”. In the absence of this, the assessment was conducted using guidance provided by the WWF and CDP. WWF’s Biodiversity Risk Filter designates a 15km buffer around all global KBAs, with no overlap classifying as “very low risk” and some overlap with the buffer but none with the KBA as “low risk”. The CDP provides the following categories as options to disclose “proximity”: overlap; adjacent; up to 5km; up to 10kim; up to 25km; up to 50km; up to 70km. Using both criteria, all the Company’s sites are considered low or very low risk for negatively affecting biodiversity sensitive areas. If additional guidance is later developed by the SFDR, the Company will update its methodology to evaluate the PAI on this basis.	designed to maximise biodiversity on the Company’s sites, above and beyond the conservation measures required as part of planning requirements, which are typically included in a site Landscape and Environmental Management Plan. This helps to ensure the creation of a positive biodiversity benefit following completion of the construction phase.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR	0 tCO_2e/€M	Not applicable	This indicator measures tonnes of emissions to water generated by each asset per million EUR invested, expressed as a weighted average. Relevant emissions are defined to priority substances as defined in Article	The Company ensures that it has the necessary environmental safeguards in place regarding site water management.

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		invested, expressed as a weighted average			2(30) of Directive 2000/60/EC of the European Parliament and of the Council and direct nitrates, direct phosphate emissions, direct pesticides emissions. The indicator is calculated based on a review of the environmental incident log to identify instances of emissions to water.	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0 tonnes of hazardous and radioactive waste/€M	Not applicable	This indicator measures the total tonnes of waste generated by each asset which is deemed hazardous, expressed over total waste across the portfolio. Hazardous waste is defined under in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council (20) and radioactive waste as defined under as defined in Article 3(7) of Council Directive 2011/70/Euratom. This indicator is calculated based on the sum of hazardous, radioactive, or non-hazardous waste generated at each asset and then aggregated to produce a final ratio.	The Company's EPC contractors reported zero hazardous and radioactive waste during the period. The Investment Adviser will engage its O&M and EPC contractors to improve information availability in this area.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for	0	Not applicable	The indicator measures the total number of violations under the UNGC or OECD guidelines based on a review of qualitative information.	The Company has zero tolerance for any form of human rights violation. As an investment trust, the Company has no employees, but it recognises the human rights risks in the upstream BESS supply chain. The Company promotes respect for human rights in its supply chain through the requirements set out in the Supplier Code of Conduct, which all key Tier 1 suppliers are requested to sign. The

	Multinational Enterprises	Multinational Enterprises				Supplier Code of Conduct was drafted with reference to key guidance and frameworks such as the UN Global Compact and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Human rights due diligence is conducted on potential suppliers during the procurement process, and the Investment Adviser continues to work closely with key suppliers to monitor human rights performance. Supplier ESG audits have been introduced during the reference period to monitor compliance with the Supplier Code.
	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	100%	Not applicable	This indicator assesses whether the Company's processes are adequate for monitoring the activities of the portfolio against the UNGC and OECD principles and guidelines. During the reference period, the Company did not have a written policy in place to monitor compliance with the UNGC principles or OECD guidelines.	The Company has zero tolerance for any form of human rights violation. However, during the reference period, the Company did not have a written policy in place to monitor compliance with the UNGC principles or OECD guidelines. The Company has been enhancing how ESG is integrated into policies, procedures, and processes. This includes the development of a Human Rights Policy which explicitly references the UNGC and OECD frameworks. This policy applies to the Company and its direct and indirect subsidiaries (SPVs). This policy was

		principles or OECD Guidelines for Multinational Enterprises				adopted by the Board of the Company on 22 May 2024.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	Not applicable	Not applicable	The Company is an investment trust and does not have employees, so this indicator does not apply.	Not applicable.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	40%	Not applicable	This indicator measures the ratio of female board members to male board members at the Company level, expressed as a percentage of all Board members. The Board comprises five independent non-executive directors of whom 40% are female. The gender data was collated from the responses received from all Board members to the following question: “Please confirm whether you are male or female or would prefer not to say”.	The Company’s Board is committed to diversity, which includes diversity of experience, background, and perspective, and meeting the recommendations of the Hampton Alexander Review of female representation and gender imbalance on FTSE 350 boards (now called the FTSE Women Leaders Review) and the Parker Review into the ethnic diversity of UK boards. In line with the objectives of the Diversity Policy adopted by the Board, the Board will always appoint the best person for the job. It will not discriminate on the grounds of gender, race, ethnicity, religion, sexual orientation, age, or physical ability. The Board considers that the real value of diversity comes from ensuring inclusion of different views arising from lived experiences and skills. As of 31 October 2023 (and the date of this report) the Company has met the diversity targets set out in the FCA Listing Rules that: at least 40% of the individuals on the Board are women; at least one director is of an ethnic minority background; and at

						least one of the senior positions is held by a woman.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	Not applicable	This indicator measures commercial interest in controversial weapons, directly or through the value chain, upstream and downstream. As the Company invests exclusively in energy storage, this indicator does not apply.	Not applicable.
Other indicators for principal adverse impacts on sustainability factors						
[Information on the principal adverse impacts on sustainability factors referred to in Article 6(1), point (a) in the format in Table 2]						
[Information on the principal adverse impacts on sustainability factors referred to in Article 6(1), point (b), in the format in Table 3]						
[Information on any other adverse impacts on sustainability factors used to identify and assess additional principal adverse impacts on a sustainability factor referred to in Article 6(1), point (c), in the format in Table 2 or Table 3]						

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

<u>Description of Policies</u>

The Company recognises the link between the sound management of material ESG matters and the creation of long-term investment value. As such, the Company is committed to actively managing ESG-related risks and opportunities by integrating sustainability factors, including SFDR PAIs, into the investment lifecycle, and has a number of policies to this effect, including its Responsible Investment Policy and ESG Policy.

The Company introduced its first Responsible Investment Policy in 2023. The policy describes how ESG considerations are integrated into the investment process and operational management of the Company's portfolio. The purpose of the policy is to ensure that ESG risks and opportunities are considered in investment decision-making, with the aim of maximising positive environmental and social outcomes. It outlines the Company's governance structure, including roles and responsibilities of the Board, Board committees (e.g., the ESG Committee), and the Investment Adviser; the pillars of its ESG strategy; and how sustainability factors are embedded throughout the investment process, from pre-investment restrictions, screening, and due diligence, followed by ongoing asset management, monitoring, reporting, and supplier engagement, through to the end of life.

The Company publishes bi-annual ESG performance updates as part of the interim and annual reporting processes, including a set of ESG metrics, covering many of the SFDR PAIs.

The Company's ESG Policy communicates its ESG ambition and strategy. The purpose of the policy is to ensure that ESG considerations are integrated more broadly into all aspects of the Company's activities and investments, with the aim of maximising positive environmental and social outcomes. It outlines the Company's ESG strategy, strategic focus areas, and duty to deliver its day-to-day activities in an environmentally and socially responsible way, by creating and upholding good corporate governance and business ethics, creating a diverse, equitable, and inclusive culture, and promoting sustainable practices amongst suppliers and partners. By integrating ESG considerations into its corporate governance foundations (and requiring that the Investment Adviser does likewise) the Company integrates sustainability throughout its operations. To ensure that PAIs on sustainability factors are managed effectively, the Company is embedding policies, processes, and procedures to maximise ESG benefits and minimise negative impacts.

Methodologies – How were the PAIs identified and assessed?

In 2022, the Company completed a materiality assessment to identify the ESG and sustainability areas most relevant to the business based on market analysis and stakeholder interviews. Two criteria were considered to assess the materiality of sustainability areas: importance to key stakeholders: employees, investors, customers, suppliers, partners, peers, communities; and potential impact of the Company on the environment and wider communities (positive or adverse). The Company's ESG strategy and strategic focus areas of climate change, nature and biodiversity, communities, waste and resources, and human rights and labour, are aligned with the UN Sustainable Development Goals ("**SDGs**") and reflect the Company's priority areas as identified via the materiality assessment process, regulatory requirements, and relevant ESG reporting frameworks.

In line with the Company's commitment to transparency on ESG performance, it developed methodologies and data collection processes for a set of ESG metrics aligned with the strategic priorities and materiality assessment. The Annual Report and Accounts contains the Company's ESG data against these metrics for each fiscal year, compared with the previous year, many of which align with the SFDR PAIs. Given the Company's strategic focus on nature and biodiversity, and human rights and labour, "natural species and protected areas" and "lack of a human rights policy" were chosen as the two optional PAI indicators to report against. The Investment Adviser, on behalf of the Company, collects and consolidates asset-level data to report on PAIs at the Company level for the reference period. An external sustainability consultant was engaged to determine the methodologies for calculating these metrics, using best practice guidance from the Task Force on Climate-Related Financial Disclosures ("**TCFD**"), Task Force on Nature-Related Financial Disclosures ("**TNFD**"), SFDR, and the wider renewable energy industry, to ensure methodologies are consistent and comparable with future periods and peers.

An external consultant was also engaged to calculate the Company's GHG emissions in line with the World Resource Institute's ("**WRI**") GHG Protocol Corporate Standard. The Company defines its organisational boundaries using the equity share approach, under which all SPVs fall within

the Company's organisational boundary as fully owned subsidiaries. Under the methodology used, the construction and materials' GHG emissions for a project are recognised only once the construction of that project is complete.
Engagement policies Due to the nature of the Company's portfolio, comprised of wholly owned SPV project companies, sustainability and ESG matters are managed at the fund level. Accordingly, the Company does not engage with "investee companies" (SPVs) as part of its ESG approach. The Investment Adviser and the Board of Directors are responsible for engagement with external stakeholders such as shareholders, suppliers and service providers in relation to the continued implementation of the Company's ESG strategy throughout the asset lifecycle. To support the Company's ESG Strategy and communicate the Company's ESG objectives, the Company has adopted a suite of applicable policies including the Environmental Policy, Human Rights Policy, and Supplier Code of Conduct. The commitments made within these policies are delivered by the Company's key suppliers and service providers, who work together to monitor, manage, and report ESG performance across the asset lifecycle and any relevant supply chain activities.
References to international standards The Company's Responsible Investment Policy was created with reference to several global frameworks, including the World Economic Forum International Business Council Framework, Sustainability Accounting Standards Board ("**SASB**"), UN SDGs, TCFD, TNFD, SFDR, and EU Taxonomy for Sustainable Activities. The annual report includes reporting against the recommendations of the TCFD and the TNFD frameworks. The Company is also a signatory of the UN Principles of Responsible Investment ("**PRI**") and, as part of its ongoing commitment, completes an annual assessment related to its responsible investment practices.
Historical comparison Not applicable – this is the first time the Company has reported against the PAI indicators.

Table 2 **Additional climate and other environment-related indicators**					
Indicators applicable to investments in investee companies **(qualitative or quantitative)**					
Adverse sustainability indicator	**Metric**	**Impact 2022/23**	**Impact 2021/22**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
14. Natural species and protected areas	1. Share of investments in investee companies whose operations affect threatened species 2. Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas	1. 0% 2. 100%	Not applicable	1. This indicator is calculated through asset-level screening, using ecological assessment reports, to determine if the Company's operations affect threatened species. 'Threatened species' is taken as endangered species (critically endangered/endangered/vulnerable) listed in the European Red List (a subset of the IUCN Red List of Threatened Species at the European level). Not all of the Company's assets required a pre-construction ecological assessment to be conducted to obtain planning permission for construction due to low ecological value of the original site. This was taken as sufficient to conclude that no species would be affected by the construction or	1. The Company and the Investment Adviser work with specialist ecologists to assess the ecological impacts of BESS assets. These assessments inform asset-specific ecology action plans which ensure that ecology considerations are embedded across the asset lifecycle, helping to minimise any negative impacts on the environment. 2. The Company is committed to protecting biodiversity where it operates, however, during the reference period, the Company did not have a written biodiversity policy in place. The Company has been enhancing how ESG is integrated into policies, procedures, and processes. This includes the development of an Environmental Policy which covers the Company's commitments with respect to biodiversity protection. This policy applies to the Company and its

				operations of those assets. For assets that did required pre-construction ecological assessments to be conducted, species identified within 2km of an asset's locality were cross-checked against the list of threatened species in the European Red List. No assets were identified as potentially affecting any threatened species, and the Company has also followed all Reasonable Avoidance Measures suggested in the ecology assessment reports to minimise risk of harm to any species during the construction phase. The Company also aims to conduct ecology monitoring assessments during the operational phase of its assets in future. 2. The Company invests in infrastructure assets, which are owned by SPVs. This indicator measures the percentage of SPVs that are not covered by the Company's Environmental and Biodiversity Protection Policy.	direct and indirect subsidiaries (SPVs). This policy was adopted by the Board of the Company on 22 May 2024.

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Indicators applicable to investments in investee companies (qualitative or quantitative)					
Adverse sustainability indicator	**Metric**	**Impact 2022/23**	**Impact 2021/22**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
9. Lack of a human rights policy	Share of investments in entities without a human rights policy	100%	Not applicable	The Company invests in infrastructure assets, which are owned by SPVs. This indicator measures the percentage of SPVs that are not covered by the Company's Human Rights Policy.	The Company has zero tolerance for any form of human rights violation. However, during the reference period, the Company did not have a written policy in place to monitor compliance with the UNGC principles or OECD guidelines. The Company has been enhancing how ESG is integrated into policies, procedures, and processes. This includes the development of a Human Rights Policy which explicitly references the UNGC and OECD frameworks. This policy applies to the Company and its direct and indirect subsidiaries (SPVs). This policy was adopted by the Board of the Company on 22 May 2024.