

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Harmony Energy Income Trust plc
25490003XI3CJNTR453

Legal entity identifier:

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents sustainable investments]*

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ____% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It made sustainable investments with a social objective: ____%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental characteristics promoted by Harmony Energy Income Trust plc (the “**Company**”) are the provision of support for the renewable energy transition and climate change mitigation, which it achieves through investment in grid-scale battery energy storage system (“**BESS**”) assets.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The Company's BESS 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-based electricity generation. In doing so, the Company's BESS assets contribute to climate change mitigation through the avoidance of greenhouse gas ("GHG") emissions from the electricity sector.

The Company's BESS assets provide grid stability services and help to balance supply and demand of electricity, storing electricity as it is generated and exporting it to the grid during times of peak demand. By storing excess electricity from renewable sources, the Company's BESS assets prevent curtailment (i.e. renewable energy assets being paid to stop generating) and allow energy from renewable sources to contribute a greater proportion of the energy mix. Grid stability and balancing services have traditionally been provided by fossil fuel-based generation assets, which emit GHG emissions. Therefore, the use of BESS for these services reduces the need for fossil fuel-based electricity generation and avoids GHG emissions associated with the combustion of fossil fuels.

Given that the Company only invested in BESS assets during the reporting period, it met the environmental characteristics described above.

● ***How did the sustainability indicators perform?***

The following table provides performance information on the indicators used to measure the attainment of each environmental characteristic for the reference period 1 November 2022 – 31 October 2023.

Metric	Description	Unit	2023 Performance
Storage capacity of operational BESS assets	Measures the total storage capacity of operational BESS assets.	MWh / MW	555 / 277.5
Storage capacity of BESS assets under construction	Measures the total storage capacity of BESS assets under construction.	MWh / MW	235.8 / 117.9
Total renewable energy stored by the Company's BESS assets	Measures the renewable electricity stored by the Company's BESS assets calculated using half-hourly asset-specific energy data combined with energy generation mix data from the National Grid.	MWh	30,938

Estimated GHG emissions avoided by the Company's BESS assets	Measures greenhouse gas emissions avoided by the Company's BESS assets during different modes of operation including wholesale trading actions, balancing mechanism actions and ancillary services actions, by comparing emissions between scenarios with and without BESS, accounting for system efficiency losses.	tCO ₂ e	15,415
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Please refer to the Environmental, Social, and Governance ("**ESG**") section of the Company's 2023 Annual Report and Accounts for information on the methodologies used to calculate the above indicators as well as further information about the Company's ESG performance.

● ***...and compared to previous periods?***

Not applicable - this is the first year of reporting so there are no previous reporting periods.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

Not applicable - the financial product does not have a sustainable investment objective (within the meaning of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "**Disclosure Regulation**").

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable - the financial product does not hold investments that would qualify as sustainable investments (within the meaning of the Disclosure Regulation).

— ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The financial product does not have a sustainable investment objective (within the meaning of the Disclosure Regulation). However, the Company has elected to report the Disclosure Regulation's 14 PAI indicators on a voluntary basis.

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.

— — — *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable - the financial product does not hold investments that would qualify as sustainable investments (within the meaning of the Disclosure Regulation).

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

Principal Adverse Impacts are integrated into investment decision making throughout the investment cycle, as outlined below. The Company’s [Responsible Investment Policy](#) provides a full overview of the process.

Pre-investment

Due diligence: prior to recommending any asset for acquisition, the Investment Adviser performs detailed due diligence on potential investments. The due diligence covers an assessment of the ESG performance of target assets.

A list of transaction-specific ESG issues forms the basis of this assessment. This includes consideration of climate- and nature-related risks in line with the Taskforce on Climate-related Financial Disclosures and Taskforce on Nature-related Financial Disclosures guidance. PAI indicators will be considered for future acquisitions as part of the due diligence process. This will support the Company's understanding of potential PAIs on sustainability factors and how to best manage these should the asset be acquired.

The Investment Adviser produces a detailed due diligence report covering any potential investments that meet the initial screening criteria. This report will detail the PAI indicators identified during the due diligence process for future acquisitions. The Investment Adviser may include ESG due diligence analysis conducted by third party specialists in the due diligence report.

Project investment review and approval: following pre-investment due diligence, the Investment Adviser provides the due diligence report, which will include PAI considerations in future acquisitions, to the AIFM and to the Company's Board. The AIFM assesses whether the proposed investment is appropriate for the Company in accordance with the Company's investment policy, Responsible Investment Policy and ESG Policy before making a formal recommendation to the Company's Board. The Board of the Company must approve all investment recommendations. ESG is an important consideration in the Board's investment decision-making.

Post-acquisition

Management, monitoring, and reporting: post-acquisition, the Company strives to play an active role in the ongoing management of its assets, ensuring that PAIs are adequately managed, monitored, and reported throughout each asset's lifecycle as part of the wider risk management process.

There is overlap with the Company's current core ESG metrics and the Disclosure Regulation's mandatory PAI indicators, with material indicators monitored throughout the investment cycle by the Investment Adviser. Each asset is subject to ESG data reporting to allow the monitoring of ESG performance. The data is collected annually to calculate the metrics and assess where actions might be required. These core ESG metrics are reported in the Company's Annual Report and Accounts, available on its website.

Data on the mandatory PAI indicators and two additional voluntary PAI indicators are collated to measure and report performance on each asset against the environmental characteristics promoted by the Company. The Company has published a PAI report on the Sustainability-related disclosures section of its website. The Company evaluated and reported on all mandatory PAI indicators within the PAI report. The Company selected two extra indicators to report that were significant to its operations, particularly those concerning natural species and protected areas, as well as human rights impacts.

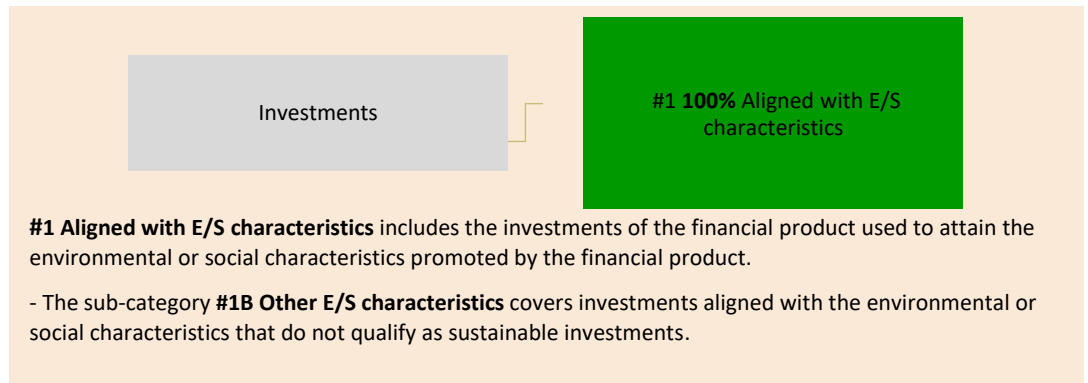


What were the top investments of this financial product?

Largest investments	Sector	% Assets ¹	Country
BESS Asset	Energy	26%	UK
BESS Asset	Energy	15%	UK

What was the proportion of sustainability-related investments?

100% of the investments held by the Company are allocated to BESS, which meet the environmental characteristics promoted by the Company. The financial



product does not have a sustainable investment objective (as defined by the Disclosure Regulation).

What was the asset allocation?

100% of the investments held by the Company are allocated to BESS, which meet the environmental characteristics promoted by the Company.

In which economic sectors were the investments made?

All investments were made in the renewable energy sector, specifically in battery energy storage assets in the United Kingdom.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

¹ Calculated based on asset's contribution to total investment value


To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

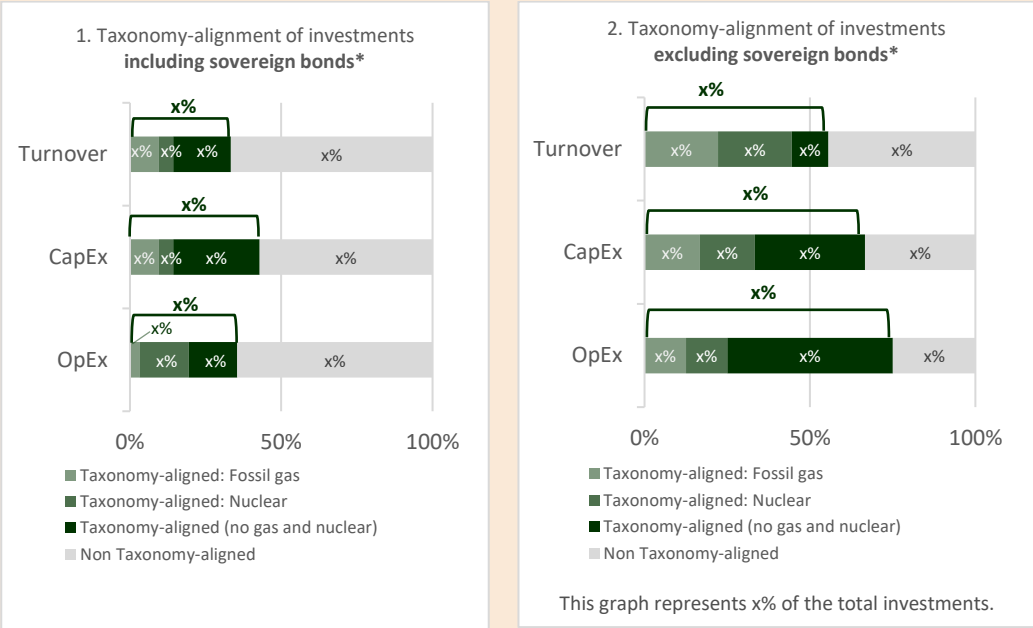
 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

Not applicable - the financial product does not hold investments that would qualify as sustainable investments with an environmental objective (within the meaning of the Disclosure Regulation).

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy²?**

- ☐ Yes:
- ☐ In fossil gas ☐ In nuclear energy
- ☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What was the share of investments made in transitional and enabling activities?**

Not applicable.

² Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- ***How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?***

Not applicable.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?



Not applicable - the financial product does not hold investments that would qualify as sustainable investments with an environmental objective (within the meaning of the Disclosure Regulation).

What was the share of socially sustainable investments?

Not applicable - the financial product does not hold investments that would be considered as socially sustainable investments.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Not applicable - the the financial product does not hold investments that would be considered as ‘Other’.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

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) on ESG matters 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.



How did this financial product perform compared to the reference benchmark?

Due to the nature of the investments, the Company has not designated an index as a reference benchmark to determine the alignment with the environmental objective it promotes.

● ***How does the reference benchmark differ from a broad market index?***

Not applicable - the Company has not designated an index as a reference benchmark.

● ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable - the Company has not designated an index as a reference benchmark.

● ***How did this financial product perform compared with the reference benchmark?***

Not applicable - the Company has not designated an index as a reference benchmark.

● ***How did this financial product perform compared with the broad market index?***

Not applicable - the Company has not designated an index as a reference benchmark.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.