HARMONY ENERGY INCOME TRUST PLC

(THE "COMPANY")

ADDITIONAL INFORMATION ANNEX

This section contains specific information aimed at professional investors domiciled in the UK.

The Company is an externally managed alternative investment fund and has appointed JTC Global AIFM Solutions Limited as its AIFM. The table 1 sets out the information required to be disclosed to UK investors in accordance with Article 23 of the EU AIFM Directive, as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018.

This document should be read together with the Company's prospectus dated 15 October, 2021 (the "**Prospectus**"). Other than as defined in this document, or as the context requires, any defined terms and phrases used in this document will have the same meaning as given in the Prospectus.

DISCLOSURE REQUIREMENT	**DISCLOSURE OR LOCATION OF RELEVANT DISCLOSURE**
Investment strategy and objective of the AIF	Information on the investment strategy and objectives of the Company are outlined in numbered sections 2 and 3 of Part 1 of the Prospectus.
Master fund domicile, if relevant	Not applicable.
If the AIF is a fund of funds, the domicile of investee funds	Not applicable.
The type of assets in which the AIF may invest	The types of assets in which the Company may invest are outlined in section 3 of Part 1 of the Company's Prospectus.
Investment techniques that may be employed by the AIF and all associated risks	A description of the investment techniques used by the company are described in paragraphs 2 and 3 of Part 1 and section 5 of Part 4 of the Prospectus. The section entitled "Risk Factors" (pages 10 to 32 inclusive) of the Prospectus provides an overview of the risks.
Investment restrictions	The investment restrictions applicable to the Company are set out in section 3 of Part 1 of the Prospectus under the heading "Investment Restrictions".
Circumstances in which the AIF may use leverage	A description is provided under the heading "Borrowing Policy" on page 51 of the Prospectus.

DISCLOSURE REQUIREMENT	DISCLOSURE OR LOCATION OF RELEVANT DISCLOSURE
The types and sources of leverage permitted and the associated risks	The description of the type and source of leverage restrictions are under the heading “Borrowing Policy” on page 51.The risks associated with leverage are disclosed on page 13 under “Borrowing risk” in the “Risk Factors” section of the Prospectus.
Any restrictions on the use of leverage and the maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	The company has set a maximum leverage limit of 49 per cent. of the Company’s net asset value at the time of drawdown. Leverage related risks are described on page 13 under “Borrowing risk” in the “Risk Factors” section of the Prospectus.
Any collateral and asset reuse arrangements	The circumstances in which collateral may be posted in favour of counterparties are disclosed and described under the heading “Borrowing Policy” on page 51 of the Prospectus.
Procedures by which the AIF may change its investment strategy or investment policy, or both	The procedures to change the investment strategy or policy are provided under the heading “Changes to and Compliance with the Investment Policy” on page 51 of the Prospectus.
The main implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, the applicable law and the existence or absence of any legal instruments providing for the recognition and enforcement of judgements in the territory where the Company is established	The Company is a public company limited by shares, incorporated in England and Wales. While investors acquire an interest in the Company on subscribing for or purchasing Shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, shareholders have no direct legal or beneficial interest in those investments. The liability of shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the shares held by them. Shareholders' rights in respect of their investment in the Company are governed by the Articles and the Companies Act. Under English law, the following types of claims may in certain circumstances be brought against a company by its shareholders: contractual claims under its articles of association, claims in misrepresentation in respect of statements made in its prospectus and other marketing documents, unfair prejudice claims and derivative actions. In the event that a shareholder considers that it may have a claim against the Company in connection with such investment in the

DISCLOSURE REQUIREMENT	DISCLOSURE OR LOCATION OF RELEVANT DISCLOSURE
	Company, such shareholder should consult its own legal advisers. **Jurisdiction and applicable law** As noted above, shareholders' rights are governed principally by the Articles and the Companies Act. By subscribing for the shares, investors agree to be bound by the Articles which are governed by, and construed in accordance with, the laws of England and Wales. **Recognition and enforcement of foreign judgments** Regulation (EC) 593/2008 ("**Rome I**") must be applied in all member states of the European Union (other than Denmark). Accordingly, where a matter comes before the courts of the relevant member state, the choice of governing law in any given agreement is subject to the provisions of Rome I. Under Rome I, the member state's court may apply any rule of that member state's own law which is mandatory irrespective of the governing law and may refuse to apply a rule of governing law if it is manifestly incompatible with the public policy of that member state. Further, where all other elements relevant to the situation at the time of the choice are located in a country other than the country whose law has been chosen, the choice of the parties shall not prejudice the application of provisions of the law of that country which cannot be derogated from by agreement. The United Kingdom has legislated to the effect that the rules in Rome I were incorporated into domestic law. As a result, English choice of law clauses in contracts continue to be respected both in the UK and the EU member states. Foreign judgments obtained in EU member states relating to proceedings commenced on or after 1 January 2021 will only be enforceable under the default common law regime or (if applicable) the Hague Convention. The Hague Convention only applies to the enforcement of judgments that arise from proceedings commenced pursuant to an exclusive

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	jurisdiction clause in favour of a contracting state in civil or commercial matters. The UK has acceded to the Hague Convention on Choice of Courts Agreements 2005 (the “**Hague Convention**”) which applies between the EU member states, Montenegro, Denmark, Mexico, Singapore and the UK and provides for the recognition of foreign judgements in respect of contracts which contact and exclusive jurisdiction clause. The Hague Convention does not, however, extend to contracts containing non-exclusive jurisdiction clauses, which typically permit the more dominant party to the contract to sue in the country of their choice while restricting the right of the less dominant party to the courts of a single country. The UK has also applied to re-join the Lugano Convention 2007 which would permit for the recognition of judgement based on contracts under the laws of member states regardless of whether the contract contains an exclusive or non-exclusive choice of law clause in the states that are parties to that convention (i.e. EU member states and Iceland, Norway and Switzerland). However, each member of the Lugano convention has a veto on the accession of new members and UK accession may not occur. Investors should note that there is no instrument in place for the recognition and enforcement of judgements between the United Kingdom and the US and accordingly, if an investor were to seek to have an order of a US court (irrespective of the state in which the order was obtained) recognised or enforced in the courts of England and Wales, the investor would need to rely on the laws of England and Wales and may therefore find it difficult in practice to enforce a judgement obtained in the US in England and Wales.
The identity of the AIFM, the AIF's depositary, auditor and other service providers together with a description of their duties and the investors' rights	Please the section headed “Directors, Management and Administration” in part 4 of the Prospectus at page 81 onwards for descriptions of the identities and duties of the AIFM, the Investment Adviser, the Company Secretary, the Auditor and the Company’s other service providers. at same section of the

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	Prospectus also provides biographical details of the directors. Further details of the agreements with the Company's service providers are set out in Part 9 of the Prospectus. **Depositary** The provisions of the UK AIFM Laws concerning depositaries do not apply to the AIFM. As such, a depositary has not been appointed. Without prejudice to any potential right of action in common law that a shareholder may have to bring a claim against a service provider to the Company, each shareholder's contractual relationship in respect of its investment in the Company is with the Company only. Therefore, no Shareholder will have any contractual claim against any service provider with respect of such service provider's default pursuant to the terms of the agreement that it has entered into with the Company. The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 138D of the Financial Services and Markets Act 2000 ("**FSMA**") (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious cause of action. Shareholders who believe they may have a claim under section 138D of FSMA, or in tort, against any service provider in connection with their investment in the Company should consult their legal adviser.
Management of professional liability risk	The AIFM is a non-EU AIFM for the purposes of the EU AIFM Directive and so is not required to comply with Article 9(7) of the EU AIFM Directive, which relates to the maintenance of professional indemnity insurance or additional capital to cover professional liability risks. Nevertheless, the AIFM has the benefit of professional indemnity and directors' and officers' liabilities insurance coverage.

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A description of any delegated function as referred to in Annex I of the AIFM Directive by the AIFM and of any safe keeping function delegated by the depositary the identification of the delegate and any conflicts of interest that may arise from such delegation.	The AIFM has appointed the Investment Advisor to provide investment advice to the AIFM and the Company on the terms of the Investment Advisory Agreement. The Board and the AIFM have delegated responsibility for carrying out the fair market valuation of the Group's investments to the Investment Advisor. Pre-agreed delegated authorities have been granted to the Board to HEIT Holdings Limited, a wholly owned subsidiary of the Company used to hold investments and special purpose vehicles holding investments, by the Company and the AIFM. All activities engaged in under the provision of the AIFM Agreement by the AIFM (or any of its delegates), and by the Investment Advisor under the Investment Advisory Agreement, on behalf of the Company shall at all times be subject to the overall policies, supervision and review of the Board. The Investment Advisor's conflicts of interest policy is described in the section titled 'Conflicts of Interest' on page 87 of the Prospectus. As noted above, the provisions of the UK AIFM Laws concerning depositories do not apply to the AIFM. As such, a depositary has not been appointed.
A description of any arrangement made by the depositary to contractually discharge itself of liability	As noted above, the provisions of the UK AIFM Laws concerning depositaries do not apply to the AIFM. As such, a depositary has not been appointed.
The Company's valuation procedure and pricing methodology	Please see the heading titled 'Valuation Policy' in part 6 on page 131 of the Prospectus.
The Company's liquidity risk management, including redemption rights and redemption arrangements	Not applicable.
Fees, charges and expenses, which are directly or indirectly borne by investors	Please see the section titled 'Fees and Expenses' in part 6 on page 91 of the Prospectus.
Fair and preferential treatment of investors	As a company traded on the Specialist Fund Segment of the Main Market of London Stock Exchange Plc, the Company is not bound by the FCA's Premium Listing Principles set out in chapter 7 of the Listing Rules and Premium Listing Principles. However, the Company has voluntarily undertaken to comply with those

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	Listing Rules and Premium Listing Principles and to treat all shareholders of a given class equally. In addition, as directors of a company incorporated in England and Wales, the directors have certain statutory duties with which they must comply. These include a duty upon each director to act in a way they consider to be in good faith and would be most likely to promote the success of the Company to the benefit of its members as a whole. No investor has the right to obtain preferential treatment in relation to their investment in the Company and the Company does not give preferential treatment to any investors. The Ordinary share rank *pari passu* with each other.
The Company's annual report	The information required under paragraphs 4 and 5 of Article 23 of the AIFM Directive will be disclosed in the Company's audited annual report. Annual reports are available at www.heitp.co.uk.
Procedure and conditions for the issue and sale of shares	Not applicable.
The Company's latest net asset value or latest market price of its share	All net asset values are announced via a regulatory information service and are also available at www.heitp.co.uk.
The Company's prime broker	Not applicable
How and when the information require d to be disclosed under FUND 3.2.5 AND 3.2.6 (so far as relevant) will be disclosed	The AIFM is required to make certain periodic disclosures to investors under the UK AIFM Laws. Under Article 23(4) of the EU AIFM Directive and FUND 3.2.5R, the AIFM must disclose to investors periodically: • the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature; • any new arrangements for managing the liquidity of the Company; and

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	• the current risk profile of the Company and the risk management systems employed by the AIFM to manage those risks. The information shall be disclosed as part of the Company's periodic reporting to investors, as required by the Articles of Association or the Prospectus and at a minimum at the same time as the Company's annual report is made available. Under Article 23(5) of the EU AIFM Directive and FUND 3.2.6R, the AIFM must disclose on a regular basis any changes to: • The maximum level of leverage that the AIFM may employ on behalf of the Company; • Any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and • The total amount of leverage employed by the Company. Information on changes to the maximum level of leverage and any right of re-use of collateral or any guarantee under the leveraging arrangements shall be provided without undue delay. Information on the total amount of leverage employee by the Company shall be disclosed as part of the Company's periodic reporting to investors, as required by the Articles of Association or the Prospectus and at least at the same time as the Company's annual report is made available. Without limitation to the generality of the foregoing, any information required under Article 23(4) of the EU AIFM Directive and FUND 3.2.5R AND, Article 23(5) of the EU AIFM Directive and FUND 3.2.6R, may be disclosed (a) in the Company's annual report or half-yearly report; (b) a subsequent prospectus; and/or (c) by the Company publishing the relevant information on the Company's website.

Sustainability Disclosure Requirements and investment labels

Harmony Energy Income Trust plc (the "**Company**") falls within the scope of the Sustainability Disclosure Requirements (the "**SDR**") and its investment labelling regime as introduced through PS23/16 into the Financial Conduct Authority (the "**FCA**") Handbook. The Company has prepared this disclosure for the purpose of complying with the requirements.

The UK's sustainability investment labelling regime aims to help investors find products that have a specific sustainability goal. The regime introduced four sustainable investment labels that firms can apply to products on a voluntary basis. This product does not currently have a sustainable investment label. In the context of wider sector challenges and uncertainty regarding the outcome of the sale process for the Company's assets, the Board has decided not to use a sustainable investment label for this product at this time. The Board will review this decision in 2025 when there is more clarity on the commercial strategy post-sale process. This decision does not detract from the Company's core business, in line with its Investment Objective, of investing in grid scale battery energy storage projects, as vital contributors to the UK's net zero transition. This is underpinned by its Investment Strategy, Policy and its associated sustainability strategy, initiatives, KPIs and metrics, as described below. For further information, please see the Company's website or contact sustainability@harmonyenergy.co.uk

Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector

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.

Manner in which sustainability risks are integrated into investment decisions and the likelihood to impact returns for the purposes of Article 6(1)

Integration of sustainability risks into investment decisions

As required by the Disclosure Regulation, the AIFM has published on its website its SFDR compliance statement, which includes the information specified in Article 6 of the SFDR.

The Company and Harmony Energy Advisors Limited (the "**Investment Adviser**") define "**sustainability risk**" as an "environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment" in line with the Disclosures Regulation's definition.

The Company recognises the link between the sound management of material Environmental, Social, and Governance ("**ESG**") issues (both risks and opportunities) and the creation of long-term investment value. The Company has conducted a materiality assessment to identify material ESG issues, which forms the basis of its ESG strategy. The Company's ESG strategy provides a framework to enable the Company to manage material ESG risks effectively and generate positive environmental and social impact.

Sustainability-related risks and opportunities are integrated into investment decision-making throughout the investment lifecycle, as outlined below. The Company's Responsible Investment Policy provides a full overview of the process.

Pre-investment

Investment policy and restrictions: the Company's investment focus is restricted to investments 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**"), located in Great Britain. Investments in all other sectors are, by definition, excluded, and there is an express prohibition on investments in fossil fuels.

Investment screening: the Investment Adviser and the Alternative Investment Fund Manager (the "**AIFM**") are responsible for assessing target acquisitions against the Company's investment policy and investment restrictions for suitability.

Due diligence: prior to recommending any asset for acquisition, the Investment Adviser performs detailed due diligence on potential investments. The due diligence includes an assessment of the ESG characteristics and performance of target assets. A list of transaction-specific ESG issues forms the basis of this assessment and 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. Principal Adverse Impacts ("**PAIs**") of investment decisions will be considered for future acquisitions as part of the due diligence process.

The Investment Adviser produces a detailed due diligence report covering any potential investments that meet the initial screening criteria. This report details ESG risks and opportunities identified during the due diligence process. The Investment Adviser considers any ESG due diligence analysis conducted by third party specialists and may include findings in the due diligence report.

Project investment review and approval: following pre-investment due diligence, the Investment Adviser provides the due diligence report, covering ESG risks and opportunities, 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 Company's Board must approve all investment recommendations prior to any investment proceeding. ESG is an important consideration in the Board's decision making.

Post-acquisition

Management, monitoring, and reporting: post-acquisition of an asset or assets, the Company strives to play an active role in its ongoing management, ensuring that sustainability risks and opportunities are adequately managed, monitored, and reported throughout each asset's lifecycle as part of the wider risk management process. A set of ESG metrics has been identified and is used to measure the ESG performance of assets. Each asset will be subject to ESG data reporting to allow for the monitoring of ESG performance by the Investment Adviser.

End-of-life: every effort will be made to consider sustainability risks at end-of-life by proactively monitoring the material risks to which the Company is exposed and collaborating with suppliers and partners to implement sustainable end-of-life practices for each asset in line with industry guidelines at the time of decommissioning.

Likely impacts of sustainability risks on financial returns

In line with the definition of sustainability risk set out above, sustainability risks - if they materialise - have the potential to materially impact the Company's financial returns. The impact of sustainability risks will vary depending on the Company's exposure to each such risk. As part of the Company's risk management process, mitigation measures and action plans are put in place for identified sustainability risks, the implementation of which is overseen by the AIFM and the Investment Adviser. Sustainability risks and mitigating actions are recorded in asset-level risk registers and reflected in the Company-level risk matrix, managed by the AIFM. A formal quarterly review of the risk matrix is conducted by the Investment Adviser and recommendations for updates are made to the AIFM. The proposed updates are further reviewed and approved by the AIFM's internal Risk Committee in advance of seeking the Company's Board's approval. The Board further challenges, queries and debates the risk matrix. Despite these efforts, there remains a residual risk that these measures will not prevent the risk from materialising and negatively affecting the financial returns of the Company.

Promotion of environmental and social characteristics

The environmental characteristics promoted by the Company are the provision of support for the renewable energy transition and climate change mitigation, which it achieves through investment in BESS assets.

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 generation 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.

Investment objective and strategy of the Company

The Company's investment objective is to provide an attractive and sustainable level of income returns, with the potential for capital growth, by investing in commercial scale storage and renewable energy generation projects, with an initial focus on a diversified portfolio of BESS located in Great Britain.

What is the Taxonomy-aligned asset allocation for the Company?

The Company currently does not have any 'Taxonomy-aligned' investments. The Company may make the necessary adjustments for alignment with the Taxonomy Regulation in the future.

Does this financial product consider Principal Adverse Impacts on sustainability factors?

PAIs on sustainability factors are considered. 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. These are considered, where relevant, throughout the asset lifecycle from the pre-acquisition stage through to decommissioning, as described in the Responsible Investment Policy and summarised above. There is overlap with the Company’s current core ESG metrics and the Disclosure Regulation’s mandatory indicators, with material indicators monitored throughout the investment cycle by the Investment Adviser. 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. The Company’s PAI report is available on the Sustainability-related disclosures section of its website.

Product-specific information online

More information can be found on the Company's website.

Reference benchmark

No index has been designated as a reference benchmark.

ANNEX II

Template pre-contractual 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

Product name: Harmony Energy Income Trust plc **Legal entity identifier:** 254900O3XI3CJNTKR453

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.

Environmental and/or social characteristics

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

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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

What environmental and/or social characteristics are promoted by this financial product?

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.

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 generation sector.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

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.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The following indicators are used to measure the attainment of the environmental characteristics:

- Storage capacity of operational BESS assets (MWh / MW): this indicator measures the total storage capacity of operational BESS assets.
- Storage capacity of BESS assets under construction (MWh / MW): this indicator measures the total storage capacity of BESS assets under construction.
- Total renewable energy stored by the Company's BESS assets (MWh): this indicator 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.
- Estimated GHG emissions avoided by the Company's BESS assets (tCO_2e): this indicator 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.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does 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 do the sustainable investments that the financial product partially intends to make, 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 have the indicators for adverse impacts on sustainability factors been 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.

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

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

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

Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes, PAIs on sustainability factors are considered. 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. These are considered, where relevant, throughout the asset lifecycle from the pre-acquisition stage (for future acquisitions) through to decomissioning, as described in the Responsible Investment Policy and summarised above. There is overlap with the Company's current ESG metrics and the Disclosure Regulation's mandatory indicators, with material indicators monitored throughout the investment cycle by the Investment Adviser. 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. The Company's PAI report is available on the Sustainability-related disclosures section of its website.

[Include statement for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

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 EU 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.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Company's investment objective is to provide an attractive and sustainable level of income returns, with the potential for capital growth, by investing in commercial scale BESS and renewable energy generation projects, with an initial focus on a diversified portfolio of BESS located in Great Britain.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following elements of the investment strategy are binding on all investments selected by the Company.

<u>Investment policy and restrictions:</u> The Company's investment focus is restricted to investments in energy storage and complementary renewable energy generation assets, with an initial focus on a diversified portfolio of utility scale BESS. Investments in all other

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.

areas are, by definition, excluded and there is an express prohibition on investments in fossil fuels.

Investment screening: The Investment Adviser and the Alternative Investment Fund Manager ("**AIFM**") are responsible for assessing target acquisitions against the Company's investment policy and investment restrictions for suitability.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The Company's investments are restricted to energy storage and complementary renewable energy generation assets. Investments in other areas are, by definition, excluded, with fossil fuels expressly prohibited. 100% of the investments held by the Company are allocated to BESS, which meet the environmental characteristics promoted by the Company.

The Investment Adviser and AIFM are responsible for assessing target acquisitions against the Company's investment policy and investment restrictions for suitability.

What is the policy to assess good governance practices of the investee companies?

The Company applies the following approach to assess good governance of "investee companies", in this case, projects that sit within special purpose vehicles ("**SPVs**") 100% owned (indirectly) by the Company:

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

SPV Board composition: representatives of the Investment Adviser act as directors of the SPVs, thereby aligning the Board composition with operational responsibilities.

Board operational oversight: the Investment Adviser reports at least quarterly to the board of the Company on the operational performance of the SPVs, as well as Health and Safety, risk management and ESG performance. Moreover, the Investment Adviser engages with the Company's Board on a regular basis to discuss the Company's investments and any other relevant topics.

Board service provider oversight: the Board maintains high standards of conduct regarding sustainability issues and has adopted an ESG Policy and strategy. Even though the Company and the SPVs do not have employees, the Board ensures that the Investment Adviser and service providers consider these issues, with service provider performance monitored by an independent Management Engagement Committee which reports to the Board.

Risk management: the AIFM provides certain services in relation to the Company's portfolio, which include risk management and portfolio management, based on advice from the Investment Adviser, in accordance with the Company's investment policy.

Committees: the Company has committees in place, namely the Audit and Risk Committee, the Nomination Committee, the ESG Committee, and the Management Engagement Committee, which are tasked, *inter alia,* with SPV oversight and governance.

Due diligence and procurement practices: the Company, through the Investment Adviser, conducts detailed due diligence on potential investments, ensuring projects meet certain governance criteria prior to acquisition. Pre-acquisition ESG due diligence on suppliers is also performed, and key suppliers are required to adhere to the Company's Supplier Code of Conduct, which aligns with international standards and best practices.

Engagement post-acquisition: the Company is actively involved in managing assets post-acquisition, ensuring ESG factors are considered throughout each asset's lifecycle. Metrics are used to measure ESG performance, and stakeholder engagement is conducted to consider various viewpoints.

Stakeholder engagement: as detailed in the s172 Statement of the Company’s 2023 Annual Report and Accounts, the Company ensures that stakeholder views are also considered throughout the asset lifecycle, and the Investment Adviser engages with a wide group of stakeholders on behalf of the Company, including the local community, landowners, National Grid, investors, and suppliers. The Company has established community funds to support local initiatives that matter to the communities where the Company’s assets are located and will help ensure that the Company’s activities provide benefits to the local population.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to 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.

What is the asset allocation planned for this financial product?

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

Investments → #1 **100%** Aligned with E/S characteristics

#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental characteristics promoted by the Company.

To what minimum extent are sustainable investments with an environmental objective 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).

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

What is the minimum share of investments in transitional and enabling activities?

Not applicable.

What is the minimum share of sustainable investments with an environmental objective that are 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 is the minimum share of socially sustainable investments?

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

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Not applicable - the Company does not hold investments that would be considered as "#2 Other" investments.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

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 characteristics it promotes.

[1] 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.

Where can I find more product specific information online?

More product-specific information can be found on the Company's website.

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