

ESG POLICY

The Company has set out that when it invests, that ESG criteria will be fully considered in its investment and divestment decisions, and in its asset monitoring. The Board has oversight of and monitors the compliance of the AIFM, and the Investment Adviser in which it invests, with the Company's ESG policy, and ensures that the ESG policy is kept up-to-date with developments in industry and society.

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ESG principles

The Company has embedded the following ESG principles into its policy:

Allocating capital to low-carbon growth

The Company is focused on investing for a climate-positive environmental impact, accelerating the energy transition and the drive for cleaner air. The Directors will prioritise this long-term goal over short-term maximisation of Shareholder returns or corporate profits. The Company will enable investors to back innovators in low carbon industries by supporting the access of such companies to the capital markets.

Screening and due diligence

Prior to investment, the Company will undertake an initial screen of the prospective investment's economic activity. This will focus on core services or products, to establish provisional alignment with the EU Taxonomy. During the detailed sustainability due diligence stage, the turnover, operating expenses and capital expenditure will be assessed for alignment with the EU Taxonomy environmental objectives. The relevant do no significant harm and minimum safeguard requirements will also be assessed.

Once EU Taxonomy compliance is established, the principle adverse indicators (as defined in the Regulatory Technical Standards to the EU Sustainable Finance Disclosure Regulation) will be considered, to the extent possible, for their potential impact. The performance of the prospective investment against these criteria will be considered by the investment committee.

Engagement to deliver effective boards

The Company prioritises positive and proactive engagement with the boards of its investments. The Directors recognise that structure and composition cannot be uniform but must be aligned with long term investors while supporting managements to innovate and grow. The presence of effective and diverse independent directors is important to the Company, as are simple and transparent pay structures that reward superior outcomes.

Encourage sustainable business practices

The Company expects its Hydrogen Assets to be transparent and accountable and to uphold strong ethical standards. This includes a demonstrated awareness of the interests of material stakeholders and engagement to deliver positive impacts on environment and society. Hydrogen Assets should support the letter, and spirit, of regional laws and regulations. The Company and the Investment Adviser will encourage the adoption of initiatives including but not limited to the Task Force on Climate-related Financial Disclosures and the EU Sustainable Finance Taxonomy, and will encourage transparency and alignment of lobbying activities.

ESG in the Company

Given the nature of its investments, the Company intends to disclose key performance metrics (“**KPIs**”) that describe the environmental impact of its portfolio. The Company is particularly focused on the greenhouse gas emissions from investments and the emissions that have been avoided (“avoided emissions”) as a result of the investments, and intends to actively engage with portfolio companies to be able to adopt an appropriate reporting framework in this area. The Company frames its investments around positive contributions to UN Sustainable Development Goals (“**UN SDGs**”), and works within responsible frameworks such as those promoted by the UN Global Compact (“**UN GC**”), the London Stock Exchange’s Green Economy Mark, and the UN Principles for Responsible Investment (“**UN PRI**”).

The Company has no direct employees, operations or permanent office space. As a result, there are no scope 1 or 2 emissions. Material scope 3 emissions are that of the investment portfolio of the Private Hydrogen Assets.