HydrogenOne Capital Growth plc

SUSTAINABILITY REPORT 2024

HydrogenOne
CAPITAL | FUTURE FUEL. NOW

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Company overview

About us

HydrogenOne Capital Growth Plc ("HGEN", the "Company") is the first London-listed fund investing in clean hydrogen for a positive environmental impact. HydrogenOne Capital LLP serves as the investment advisor to the Company. HGEN is a Sustainable Finance Disclosure Regulation (''SFDR'') Article 9 impact fund with a sustainable investment objective aligned with the climate change mitigation goal of the EU Taxonomy.

The Company was launched in 2021 with an investment objective to deliver an attractive level of capital growth by investing, directly or indirectly, in a diversified portfolio of hydrogen and complementary hydrogen focused assets whilst integrating core ESG principles into its decision making and ownership process.

Highlights

- A unique offering to investors - leadership in a new green energy technology sector from the first London-listed hydrogen fund.
- Strong orientation to ESG mandates, investing capital in low-carbon growth, providing the capital to develop innovative solutions to decarbonise GHG intensive industries
- Reported to the Principles of Responsible Investment (''PRI'') for the second time and scored above median average for the peer group in each of the three reported modules, including: Policy, Governance and Strategy; Confidence Building Measures; and Direct Private Equity.
- Reported on Carbon Disclosure Project ("CDP"), SRI Services Fund EcoMarket database ("SRI"), S&P Global Corporate Sustainability Assessment ("CSA") for the second time, in 2024.

£116.3m	SFDR Article 9	>132,800 tonnes
Net Asset Value	Climate impact fund	CO2e emissions avoided in FY2024

Investing in clean hydrogen for a climate-positive impact

For an investor in HGEN at IPO. The total NAV return target is a target only and not a profit forecast.

Our impact

- £116.3 million deployed in low-carbon growth (FY2023: £113.7 million);
- As an Article 9 fund, the most sustainable classification under EU SFDR, we have ensured EU Taxonomy alignment through the portfolio, at 91.2%;
- Total GHG emissions in 2024 were 230t CO2e, lower than 2023 (279 tCO2e), due to portfolio effects, with some increases due to portfolio growth;
- Over 132,800 tonnes of Greenhouse Gas (tCO2e) emissions avoided in FY2024 (FY2023: 91,116 tCO2e) (over 576 times the combined scope 1, 2 and 3 emissions of the Company in the same period) and 274,534 tCO2e (FY2023: 141,695) since IPO.
- Strong financial growth in 2024 has resulted in reduced GHG intensity and carbon footprint outcomes for the portfolio;
- Potential 537,193 megawatt-hour (MWh) lifetime clean energy capacity in FY2024 (FY2023: 571,294 MWh) and 1,334,487MWh (FY2023: 797,294) since IPO; and
- The Company's investments either directly or indirectly displace fossil fuels, making a clear contribution to achieving the Paris Accords target of limiting global temperature rises to below 2 degrees and ideally limiting them to 1.5 degrees.

Chairman's statement

On behalf of the Board, I am pleased to present HydrogenOne Capital Growth PLC's second Sustainability Report for the year ending 31 December 2024.

As we continue to develop the Company's environmental, social and governance ("ESG") agenda, I am pleased to introduce our second stand-alone Sustainability Report, for 2024.

At its heart, the clean hydrogen industry is an opportunity to remove 830 mtpa of GHGs from the polluting and growing grey hydrogen sector, and to address many multiples of that over time in transport, heat and power. This is why 'avoided GHG' is a key metric for the Company.

In 2024, the Company continued to focus its commitment on ethical investment practices and enhanced climate stewardship.

Avoided GHG emissions for 2024 were 132,839 tCO2e, showing a steady increase, and were over 576 times the combined scope 1, 2 and 3 emissions of the Company in 2024. Total GHG emissions in 2024 were 230t CO2e, lower than 2023 (279 tCO2e), largely due to portfolio effects. Strong financial growth in several portfolio companies during 2024 has resulted in reduced GHG and carbon footprint outcomes for the portfolio, and is expected to continue.

As an Article 9 fund, the most sustainable classification under EU SFDR, we have ensured EU Taxonomy alignment through the portfolio, at 91.2%.

Throughout 2024, we have continued to enhance our greenhouse gas data quality from investments, building on our existing framework to refine our net zero trajectory modelling further. This ongoing work continues to inform our engagement strategy. Additionally, our climate risk scenarios support our assessment of portfolio resilience.

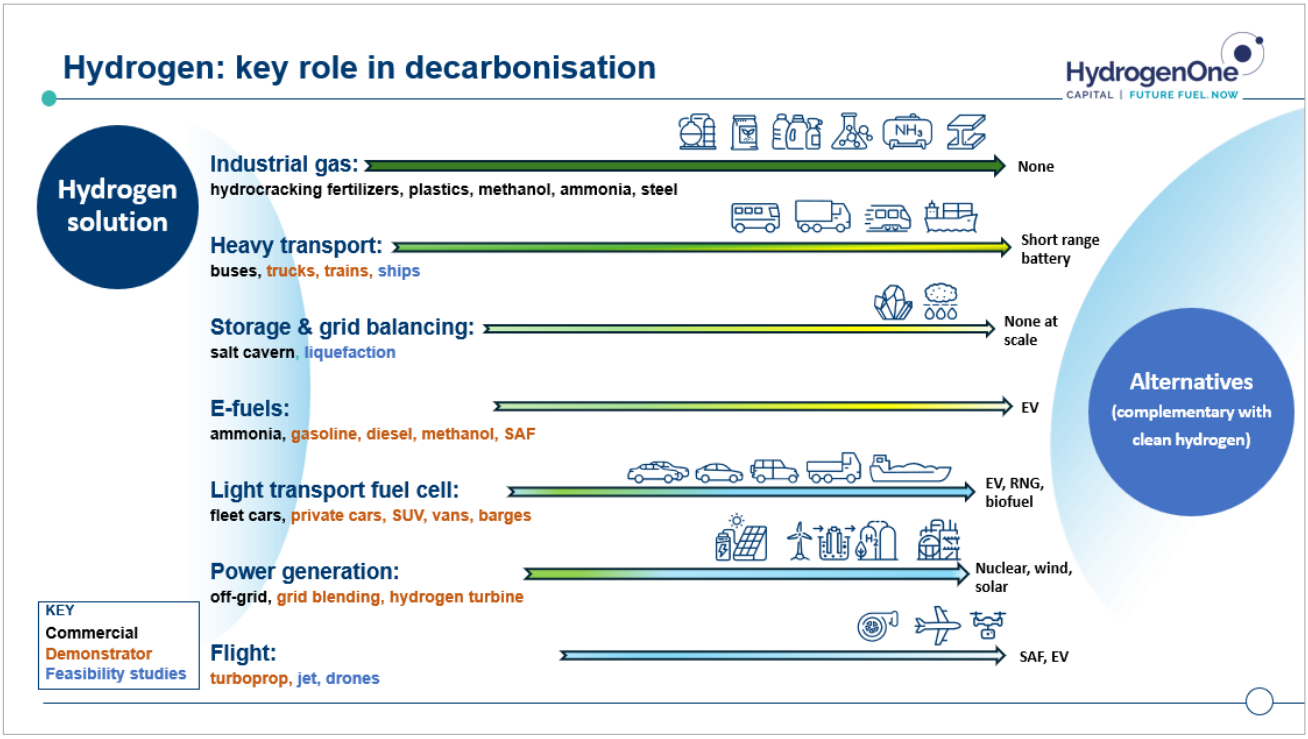
The structural, long-term fundamentals of the sector remains positive, underpinned by many governments' responses to climate change, energy security and air quality, despite current policy uncertainties in the United States. Industry investment in 2024 topped £9 billion, and some $100 billion of government support was announced world-wide, underscoring this.

We remain committed to leadership in the clean hydrogen sector, and I hope our investors will find this enhanced reporting useful.

Simon Hogan, Chairman
2024

About clean hydrogen

- Some 97 million tonnes per annum ("mpta") of hydrogen is used today in manufacturing of oil products, chemicals and steel. The demand to replace this polluting "grey" hydrogen, made from fossil fuels. with clean hydrogen, underpins the clean hydrogen sector
- Clean hydrogen is manufactured without the GHG emissions, using water electrolysis ("green" hydrogen), or methane feedstocks with carbon capture ("blue" and "turquoise" hydrogen)
- Clean hydrogen represents a strong growth opportunity today by replacing today's $175 billion/year grey hydrogen market
- Clean hydrogen can also over time displace fossil fuels in sectors such as transport and power, reducing CO2 emissions and improving air quality
- Clean hydrogen is a key component in the manufacture of clean e-fuels, such as e-methanol and synthetic aviation fuel ("SAF");
- Clean hydrogen is an energy carrier, that can store and distribute intermittent renewable electricity at a large scale
- Hydrogen combined with renewables such as wind and solar can provide a domestic energy supply option, improving energy security.
- By 2027, some 3.0 mtpa of green hydrogen, which is clean hydrogen manufactured by electrolysis, is expected to be in production, following investment of some £50 billion, representing c. 15x of the current hydrogen market, and predominately used to replace grey hydrogen



Navigating ESG

As we navigate the evolving ESG landscape, our approach is shaped by three key layers of influence: industry initiatives, regulatory requirements, and reporting frameworks.

At the initiatives level, we participate in leading voluntary frameworks including the Principles for Responsible Investment ("PRI"), the SRI Services Fund EcoMarket ("SRI"), the S&P Global Corporate Sustainability Assessment ("CSA"), and the United Nations Sustainable Development Goals ("SDGs").

Our regulatory compliance is primarily governed by European Union requirements, including the Sustainable Finance Disclosure Regulation ("SFDR") Article 9 and its Principal Adverse Impact ("PAI") indicators, along with the EU Taxonomy framework. These regulations ensure standardised disclosure of sustainability-related information across financial markets.

For reporting standards, we align with the International Sustainability Standards Board ("ISSB") framework and the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations, which provide comprehensive guidelines for consistent sustainability and climate-related reporting.

This multi-layered approach, combining voluntary initiatives, regulatory compliance, and standardised reporting frameworks, enables us to maintain best practices in sustainability while meeting our regulatory obligations.

The Company is currently out of scope for mandatory TCFD reporting required by the UK Financial Conduct Authority ("FCA") and the Sustainability Disclosure Rule labels, as we fall below the regulatory thresholds for both employee count and asset size requirements. However, the Company recognises that TCFD reporting is now market practice. The Company is also aware of the FCA's stated intention to adopt ISSB reporting in place of TCFD, as TCFD's framework is now being integrated into ISSB's standards. As the ISSB's S2 standard incorporates the TCFD recommendations the Company has opted to prepare an ISSB report, to ensure alignment with future best market practice.

This report should be read in conjunction with Annexes, which cover Article 9, PAI, government policies, scenario analysis and PRI reporting, which can be found at https://hydrogenonecapitalgrowthplc.com/sustainability/sustainability-related-disclosures/.

Our sustainability performance

	2024	2023
EU Taxonomy Aligned Portfolio	91.2%	92%
Total GHG emissions	230 tCO2e	279 tCO2e
Scope 1	26 tCO2e	18 tCO2e
Scope 2	59 tCO2e	81 tCO2e
Scope 3	146 tCO2e	180 tCO2e
Carbon footprint	1.81 tCO2e/£m	2.22 tCO2e/£m
GHG intensity	42.43 tCO2e/£m	55.3 tCO2e/£m
Avoided GHG emissions	132,839 tCO2e	91,116 tCO2e
Avoided cumulative since IPO	274,534 tCO2e	141,695 tCO2e
Energy use – UK	128,000 kWh	268,669 kWh
Energy use – Global	678,000 kWh	2,157,604 kWh

- The Company's scope 3 emissions consist of the scope 1-3 emissions from "Private Hydrogen Assets", privately-held companies in the Company's portfolio. These make up the majority of the Company's GHG emissions;
- During 2024, the Company exited Gen2 Energy, and restructured NanoSUN into a 100% owned IP holding company called Swift Hydrogen. HH2E and Thierbach SPV entered self-administration. The result of these NAV reductions, combined with NAV growth elsewhere in the portfolio, is £116.3 million deployed in low-carbon growth at end 2024 (FY2023: £113.7 million);
- Total GHG emissions in 2024 were 230t CO2e, lower than 2023 (279 tCO2e), largely due to portfolio effects, with some increases due to portfolio growth;
- Portfolio companies Sunfire and Strohm in particular delivered strong financial growth in 2024. This has resulted in reduced GHG intensity and carbon footprint outcomes for the portfolio;

- Over 132,800 tonnes of Greenhouse Gas (tCO2e) emissions were avoided in FY2024, and increase over 2023 (91,116 tCO2e). these avoided emissions were over 576 times the combined scope 1, 2 and 3 emissions of the Company in the same period;
- Some 274,534 tCO2e of GHG emissions have been avoided since the 2021 IPO;
- The portfolio companies have deployed potential 537,193 megawatt-hour (MWh) lifetime clean energy capacity in FY2024 (FY2023: 571,294 MWh) and 1,334,487MWh (FY2023: 797,294) since IPO;
- The difference in UK and global energy use (kWh) between 2023 and 2024 reflects changes in the portfolio and an adjustment in the calculation approach to ensure that the percentage share of energy consumption across all energy activities is appropriately accounted for; and
- The Company's investments either directly or indirectly displace fossil fuels, making a clear contribution to achieving the Paris Accords target of limiting global temperature rises to below 2 degrees and ideally limiting them to 1.5 degrees.

Private hydrogen assets sustainability strategy

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Elcogen – Fuel cell and electrolyser manufacturer

Elcogen's Stack, Cell and Module

- Headquarters: Estonia and Finland
- Sector: Supply Chain
- Avoided GHG emissions: 5,627 tCO_2e
- HGEN Share: 441 tCO_2e
- Independent Board member

Company ESG Strategy

- Elcogen supplies the core technology that sits at the heart of energy security and the transition away from fossil fuels.
- The Group is committed to delivering the world's most efficient technology for the production and use of green hydrogen, providing customers with affordable energy solutions to meet net zero targets. Green hydrogen is promised to decarbonise hard-to-abate sectors and provide a clear pathway away from fossil fuel reliance.
- On route to a fossil-free future, Elcogen's offering enhances energy security with scalable, eco-friendly power solutions that support diverse fuels and offer reliable, localized power with the ability to operate in island mode, ensuring energy supply even during grid disruptions.

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Private hydrogen assets sustainability strategy

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HiiROC – UK-based thermal plasma electrolysis developer

HiiROC's pilot units installed at Centrica's Brigg site

- Headquarters: United Kingdom
- Sector: Supply Chain
- Avoided GHG emissions: N/A pre commercialisation
- Independent Board member

Company ESG Strategy

- HiiROC is focused on addressing customer challenges – decarbonising production of hydrogen and carbon black and reducing atmospheric GHGs through mitigation and capture.
- The company can help accelerate the transition to Net Zero through the deployment of its technology at scale.
- HiiROC expects to make its most significant contributions to SDGs 7 (Affordable & Clean Energy), 9 (Industry, Innovation & Infrastructure) and 11 (Sustainable Cities & Communities). In due course, these will be reported-on along with other sustainability performance data, in-line with our Net Zero ambitions.

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Private hydrogen assets sustainability strategy

Strohm – Netherlands-based low carbon pipeline technology company

Strohm's Thermoplastic Composite Pipes (TCP)

- Headquarters: Netherlands
- Sector: Storage and Distribution
- Avoided GHG emissions 1,482 tCO_2e
- HGEN Share: 221 tCO_2e
- Independent Board member

Company ESG Strategy

- Strohm is proud to be a Climate Neutral Certified organisation, as certified according to the Climate Neutral Certification Standard from the Climate Neutral Group (CNG).
- The company achieved compliance to the CNG standard to become a recognised Climate Neutral Organisation in 2020 by implementing an ESG strategy featuring key CO_2 reduction initiatives, including an accredited offsetting programme.
- To reduce it's products CO_2 footprint from a product life cycle point of view and invest in product development to support the energy transition across the parameters of, a) reducing the CO_2 footprint of pipelines, b) Enabling the transition from fossil fuel to green energy, and c) reducing the CO_2 footprint of our own products.

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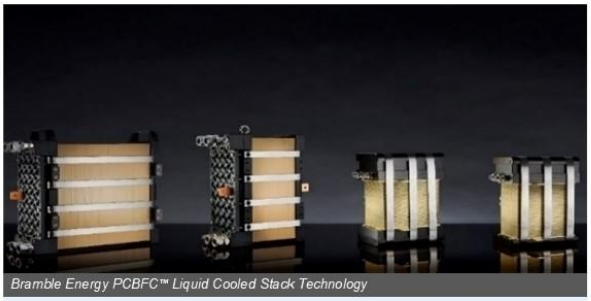
Private hydrogen assets sustainability strategy

Bramble – UK-based fuel cell and portable power solutions company


Bramble Energy PCBFC™ Liquid Cooled Stack Technology

- Headquarters: United Kingdom
- Sector: Supply Chain
- Avoided GHG emissions 2.6 tCO_2e
- HGEN Share: 0.3 tCO_2e
- Independent Board member

Company ESG Strategy

- Bramble has developed the world's lowest cost fuel cell, suitable for every application. It is manufacturable globally without capex, in existing third-party facilities. Simplified stacks, means simplified systems, and that means lower cost all round. Joint development agreements will lead to technology licence agreements and royalties.
- Bramble Energy has made the SME Climate Commitment which recognises that climate change poses a threat to the economy, nature and society-at-large, our company commits to take action immediately in order to achieve and surpass:
  - Halving our greenhouse gas emissions before 2030
  - Achieving net zero emissions before 2040
  - Disclosing our progress on a yearly basis

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Private hydrogen assets sustainability strategy

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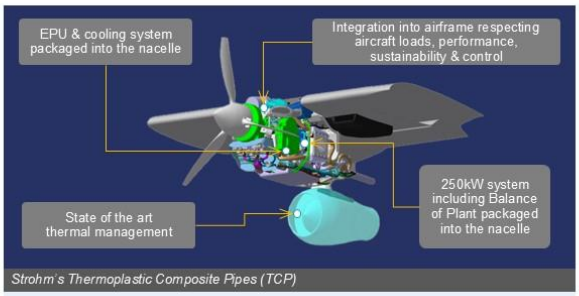
Cranfield – UK-based passenger flight innovator, powering turboprop flight with hydrogen



Strohm's Thermoplastic Composite Pipes (TCP)

- Headquarters: United Kingdom
- Sector: Hydrogen Applications
- Avoided GHG emissions: N/A pre commercialisation
- Independent Board member

Company ESG Strategy

- Environmentally, we Cranfield are committed to developing a zero emissions aircraft that will be a world first.
- More locally we commit to reducing our carbon footprint, minimizing waste, and have launched cycle to work and EV car schemes.
- Socially, we prioritize diversity, equity, and inclusion, promoting employee well-being and stakeholder engagement.
- Governance-wise, transparency, ethical decision-making, and accountability are paramount. Continuous monitoring and reporting ensure alignment with developing internal ESG standards.

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Our approach

Strategy and framework

The Company's sustainable investment objective is to deliver an attractive level of capital growth by investing, directly or indirectly, in a diversified portfolio of hydrogen and complementary hydrogen-focused assets whilst contributing to climate change mitigation by integrating core ESG principles into its decision-making and ownership process.

At its core, the clean hydrogen industry is an opportunity to replace some 830 mtpa of GHG emissions from the growing grey hydrogen sector, especially in refining, chemicals, fertilliser sectors, and many multiples of this over time by replacing fossil fuels in transport, heat and power.

The Company considers sustainability risks throughout the investment and ownership process. The risk management section sets out the Company's approach to managing these risks, and currently, there is no expectation of a material impact on the business model or cash flows of Private Hydrogen Assets arising from them.

Classification under Article 9 of EU SFDR has led the Company to expect the portfolio to be at least 75% aligned with the EU Taxonomy at the time of investment. In addition, the Company must consider the portfolio's compliance with minimum safeguards set out in the EU Taxonomy, which focuses on human rights, anti-corruption, fair taxation, and competition.

The UN PRI requires a commitment to six principles. These require the Company to integrate sustainability into the investment decision-making progress, monitor sustainability performance post-acquisition and promote the integration of sustainability within Private Hydrogen Assets.

Together, the EU SFDR regulation and the UN PRI initiative provide a framework for the Company to implement its sustainable investment objective – climate change mitigation.

Alignment with Paris Accords target

Our sustainable investment objective of climate mitigation is aligned with the Paris Accord target of limiting global temperature rises to below 2 degrees and ideally limiting them to 1.5 degrees. The Company does this through engagement with Private Hydrogen Assets, where the Investment Adviser is represented on the board of all the portfolio companies, as Director or Observer.

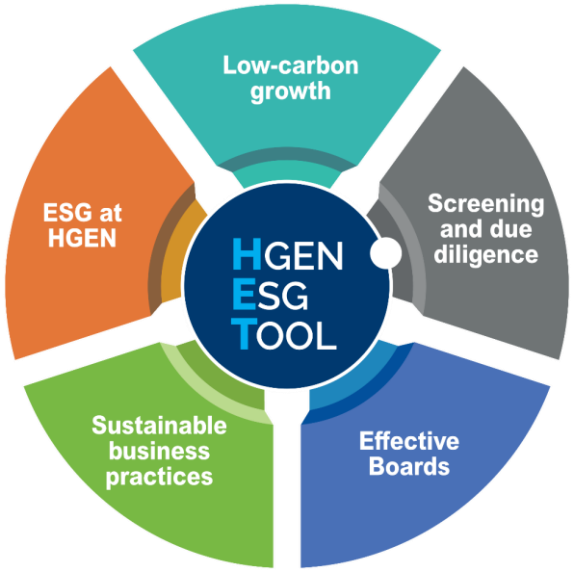
During the year, the Company has required its Private Hydrogen Assets to measure their scope 1, 2 and 3 greenhouse gas emissions. This is the first step towards reducing emissions. The Company will continue to engage with Private Hydrogen Assets to develop and implement carbon reduction plans.

Avoided emissions are the primary sustainability opportunity of the investments. Many of the Company's investments either directly or indirectly displace fossil fuels, making a clear contribution to achieving the Paris Accords target. The Company has put in place a methodology to measure the avoided emissions achieved based on the International Financial Institution Framework for a Harmonized Approach to Greenhouse Gas Accounting.

Sustainability policy – HydrogenOne ESG Tool ("HET")

The Company has set out that when it invests, 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 with the Company's ESG policy, and ensures that the ESG policy is kept up to date with developments in industry and society.

Our 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 in 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, turnover, operating expenses, and capital expenditure will be assessed to ensure alignment with the EU taxonomy's 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 Private Hydrogen Assets. The Directors recognise that structure and composition cannot be uniform but must be aligned with long-term investors while supporting management 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 the 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 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 has committed to disclosing 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") because of the investments and has actively engaged with Private Hydrogen Assets to adopt an appropriate reporting framework.

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").

ESG KPIs

	KPIs	2024 progress
Environmental	**Investing capital in low-carbon growth**	£116 .3million invested in low-carbon growth since IPO in 2021 (FY2023: £113.7 million)
	GHG emissions avoided	132,839 tCO2e avoided during the year and 274,534 tCO2e avoided since IPO (FY2023: 91,116 tCO2e and 141,695 tCO2e since IPO)
	GHG emissions on a look-through basis (aggregate scope 1 and 2 of Private Hydrogen Assets)	230 tonnes of CO2 equivalent (Scope 1 – 26 tCO2e, Scope 2 – 59 tCO2e and Scope 3 – 146 tCO2e) (FY2023: 279 tCO2e (Scope 1 – 18 tCO2e, Scope 2 – 81 tCO2e and Scope 3 – 180 tCO2e)).
Social	**Jobs supported**	In aggregate, the Company's private portfolio was employing 1,333 full-time staff at 31 Dec 2024 (FY2023: 1,406 full-time staff)
	Jobs Created	In aggregate, the Company's private portfolio employed an additional 264 full-time employees during 2024.
	The Company's Board and Diversity	The Company has appointed a Board of non-executive directors to represent shareholder interests and promote the success of the company. Diversity is considered a key component of a successful Board and the Company currently has two male and two female Board members.
	Private Hydrogen Assets Board Independence and Diversity	The Company promotes the benefits of independence and diversity on Portfolio Company Boards through engagement. Currently, 89% (FY2023: 78%) of Portfolio Company Boards have at least one independent Board member, and 58% (FY2023: 56%) have female representation.

	KPIs	2024 progress
	Work on human rights	A review of the human rights policies in place at each portfolio company has been undertaken, and recommendations have been made for improvement. These primarily focus on human rights in the supply chain.
Governance	**Engagement to deliver effective boards**	Positive and proactive engagement with the boards: Upon initial investment, the Investment Adviser representative will typically be appointed either as a director or a Board Observer to the Board of the invested Private Hydrogen Assets and is actively engaged in ESG matters in these businesses. As the invested company reaches a certain level of maturity, the Investment Adviser representative may step down from their position as a director or a Board Observer at an appropriate time. The Investment Adviser representatives are appointed as Directors or Board Observers on all portfolio companies The Company and the Investment Adviser support the UK Stewardship code issued by the Financial Reporting Council, and the Investment Adviser, on behalf of the Company, votes at all meetings where they are able to exercise the Company's vote. During the year, the Company was represented at 100% of Portfolio Company board meetings and votes (FY2023: 100%).
	Site visits	Site visits in 2024 covered 100% of the Private Hydrogen Assets (FY2023: 100%)
	Simple and transparent pay structures that reward superior outcomes	Strong linkage to long-term value creation ahead of short-term outcomes by use of share options and other incentive programmes.

	KPIs	2024 progress
	Encourage sustainable business practices and ethics	Each portfolio company has been through a review process covering its supply chain due diligence, waste management and circular economy considerations. Recommendations for improvement have been made, and implementation will be monitored.
	Stewardship	Each portfolio company has been requested to report on PAI, and key metrics to support our climate change mitigation investment objective. Data quality and process recommendations have been made to improve this information going forward. For example, the capture of business travel, supplied goods delivery, and landlord-supplied energy are all areas where improved processes are being implemented. The governance structures within each portfolio company have been reviewed, and policy recommendations have been made to strengthen safeguards in key areas, such as anti-bribery/corruption, human rights and tax risk.

United Nations Sustainable Development Goals

The Company's investment objective and investment policy are closely aligned with seven of the UN Sustainable Development Goals ("SDGs") goals, namely Good Health and well-being (Goal 3), Affordable and Clean Energy (Goal 7), Industry, Innovation and Infrastructure (Goal 9), Sustainable cities and communities (Goal 11), Responsible Consumption and Production (Goal 12), Life Below Water (Goal 14), and Life on Land (Goal 15).

Goal	UN SDG target	The Company's focus
UN SDG 3 	Reduce deaths from pollution (3.9)	Fuel cell vehicles and stationary power to displace diesel and fuel oil. Direct use in industrial activities to displace fuel oil and coal. Demonstrated through avoided emissions. Investments: Bramble, Elcogen, Cranfield, HiiROC
UN SDG 7 	Increase access to electricity (7.1) Increase renewable energy in the global energy mix (7.2) Increase energy efficiency (7.3)	Enable the expansion of renewable energy through direct use of clean hydrogen and as a form of energy storage and power generation. Exclude those involved in the production of fossil fuels. Investments: Elcogen, Sunfire
UN SDG 9 	Upgrade industries for sustainability (9.4) Increase R&D in industrial technologies (9.5)	Enabling the decarbonisation of processes in heavy industry and enhancing innovation in transport and for a more circular economy. Investments: Strohm, Sunfire, Elcogen, HiiROC
UN SDG 11 	Reduce the environmental impacts of cities (11.6)	Enabling the adoption of cleaner fuels for transportation and in heavy industry to reduce pollution and advance a more sustainable economy. Investments: Bramble, Elcogen, Sunfire, HiiROC, Cranfield
UN SDG 12 	Adopt sustainable practices and reporting (12.6)	Engagement for good governance and transparency across the portfolio. Investments: entire portfolio

Goal	UN SDG target	The Company's focus
UN SDG 14 	Reduce acidification (14.3)	Enabling the replacement of fossil fuels, to reduce CO2 emissions and the corresponding negative impacts on ocean chemistry. Investments: entire portfolio
UN SDG 15 	Combatting desertification and land degradation (15.3)	Enabling the replacement of fossil fuels to reduce GHG emissions and the associated acceleration of global warming. Investments: entire portfolio

Sustainability credentials

Principles for Responsible Investment

As part of its commitment to sustainable investing, the Company has signed the United Nations-supported Principles for Responsible Investment ("PRI"). PRI is recognised as the leading global network for investors who are committed to integrating ESG considerations into their investment practices and ownership policies. In 2024, the Company reported to the PRI and demonstrated positive progress in its assessment results. Specifically, the Company improved its scores in both "Policy, Governance and Strategy" and "Direct - Private Equity" categories compared to the previous year. The Company's performance in "Policy, Governance and Strategy" and "Confidence Building Measures" remained above the peer group median, with the latter maintaining its consistent score from the previous assessment period.

LSE Green Economy Mark

The Company has been awarded the London Stock Exchange's Green Economy Mark, which recognises companies that derive 50% or more of their total annual revenues from products and services that contribute to the global green economy. The underlying methodology incorporates the Green Revenues data model developed by FTSE Russell, which helps investors understand the global industrial transition to a green and low carbon economy with consistent, transparent data and indexes.

SDR

In late 2023 the Financial Conduct Authority issued their final rules on Sustainability Disclosure Requirements (SDR) and investment labels. This regulation introduces general anti-greenwashing rules and creates four labels for different types of sustainability funds. The Company supports measures to reduce greenwashing and clarify sustainability for investors. The scope of rules related to labels is currently limited to UK Alternative Investment Fund Managers, as such the Company cannot currently apply for a label.

CDP

The Company recognises the importance of transparency and disclosure in managing its environmental impact. In 2024, the Company submitted its second report to the Carbon Disclosure Project ("CDP"), a global non-profit organisation that runs the world's leading environmental disclosure platform.

SRI Services Fund EcoMarket

The Company participates in the SRI Services Fund EcoMarket database, a comprehensive platform designed for financial advisers and wealth managers to understand and compare sustainable investment funds. This database helps match client aims to fund options through detailed fund management filter options, making sustainable investment strategies more accessible and transparent to investors. The Company has reported to SRI Services in both 2023 and 2024, supporting the platform's mission to help grow sustainable and responsible investment.

S&P Global Corporate Sustainability Assessment

The Company participates in the S&P Global Corporate Sustainability Assessment ("CSA"), a rigorous annual evaluation of companies' sustainability practices. The CSA is recognised as a leading corporate sustainability database that enables companies to benchmark their performance on a wide range of industry-specific economic, environmental, and social criteria. The Company submitted its responses to the CSA for the second time in 2024, demonstrating its commitment to benchmarking its sustainability performance against industry peers and providing transparent sustainability data to stakeholders.

Carbon Neutral

The Company achieved a carbon neutral status for the year to 31 December 2024 through the offsetting (at portfolio and Company level) of scope 1 and 2 CO2e emissions. The Company considers the term carbon neutral in line with the UN Climate Change secretariat guidance, being the offsetting of emissions for the period. Whilst the Company is actively working on setting a net zero target through carbon reduction, it is important to recognise the emissions that have already occurred and take action to address these. The Company does not believe offsetting is the long-term solution to climate change. However, it is part of the action that can be taken in the short to medium term as reduction actions are implemented. To achieve the offset, the Company purchased credits from certified carbon removal projects where there is transparency over the measurement and allocation of sequestration. The credits are from a portfolio of several carbon sequestration projects verified by either Gold Standard or the Verified Carbon Standard.

TCFD and ISSB

Our regulatory compliance is primarily governed by European Union requirements, including the Sustainable Finance Disclosure Regulation ("SFDR") Article 9 and its Principal Adverse Impact ("PAI") indicators, along with the EU Taxonomy framework.

For reporting standards, we align with the International Sustainability Standards Board ("ISSB") framework and the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations, which provide comprehensive guidelines for consistent sustainability and climate-related reporting.

This multi-layered approach, combining voluntary initiatives, regulatory compliance, and standardised reporting frameworks, enables us to maintain best practices in sustainability while meeting our regulatory obligations.

The Company is currently out of scope for mandatory TCFD reporting required by the UK Financial Conduct Authority ("FCA") and the Sustainability Disclosure Rule labels, as we fall below the regulatory thresholds for both employee count and asset size requirements.

Annex 5

Periodic disclosures required under EU SFDR (Annex 5) are now available on the Company's website: https://hydrogenonecapitalgrowthplc.com/sustainability/sustainability-related-disclosures/.

International Sustainability Standards Board Disclosures

Governance

Board oversight

The Board of Directors (the "Board") of the Company has overall responsibility for oversight of sustainability and climate-related risks and opportunities, with the day-to-day activities delegated to the Investment Advisor. The Board ensures the Company's policies and reporting evolve appropriately with external regulatory and reporting developments. The Board also verifies Company alignment with the applicable EU sustainable finance regulations.

When the Board appoints new directors, the process, which is led by the Nomination Committee includes a thorough evaluation of the skills and experience required to sufficiently execute sustainability oversight for the Company, as well as considering fund stewardship skills and diversity. Further, the Board uses qualified external advisors to supplement internal capabilities, where appropriate. In 2024, the Company engaged a specialised third party for comprehensive emissions data collection and analysis, to assist the Board and the Investment Adviser in portfolio reporting and monitoring on ESG matters.

Informed decision-making

The Board regularly reviews portfolio performance, including portfolio GHG reduction strategies and other ESG metrics. The Investment Adviser provides sustainability reports to the Board twice per year, framing informed decision-making on portfolio choices and strategies. The Investment Adviser also provides ongoing portfolio updates to the Board including ESG, enabling the Board to identify emerging risks, challenges, and opportunities. Additionally, in-depth reviews of major proposed investments incorporate assessments of alignment with the Company's ESG policy and applicable EU regulations. This enables the Board to have the right visibility into sustainability risks and opportunities, before investment decisions are made, and allows the Board to monitor material developments in portfolio companies around sustainability performance.

The Board integrates relevant sustainability and climate considerations when assessing the Company's corporate strategy, evaluating major transactions, and setting risk management policies. Investment decisions are carefully weighed for alignment with the ESG policy and EU Taxonomy criteria, balancing financial returns against long-term sustainability and climate impacts.

The Board considers long term sustainability trends and financial performance in its strategy, in order to better understand emerging transition risks and green growth opportunities for the Company.

Oversight of performance

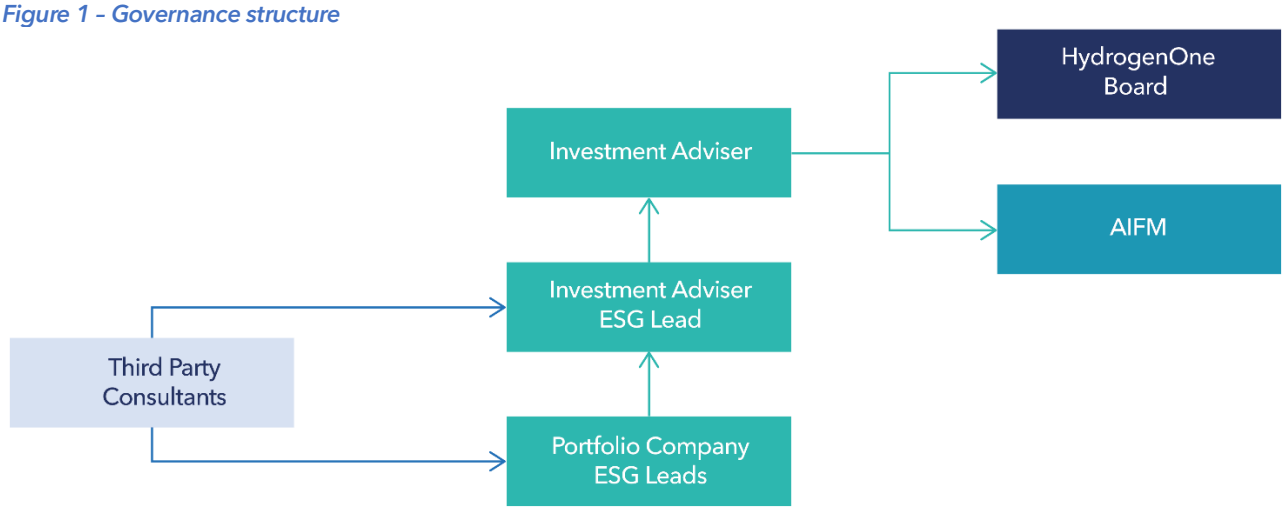
The Board regularly reviews portfolio performance, including portfolio GHG reduction strategies and other ESG metrics. The Investment Adviser provides consistent and regular reporting to the Board on emission metrics across the entire portfolio, which ensures that the Board is able to monitor performance effectively.

Delegation and Board oversight

Governance related to sustainability in portfolio companies is delegated to the Investment Adviser, specifically the appointed ESG Lead. The ESG Lead ensures that there is comprehensive emissions data collection and other ESG metrics, target-setting, and sustainability strategy development across underlying Private Hydrogen Assets. The Investment Adviser is represented on the boards of 6 invested companies, which facilitates this data collection, and helps to drive standards in the portfolio. The Investment Adviser's Principals are responsible for the communication of sustainability and climate matters to the Board and the Company's Alternative Investment Fund Manager ("AIFM"). The Investment Adviser integrates sustainability and climate considerations across investment screening, risk management, valuation, and financial reporting, reinforcing a holistic approach.

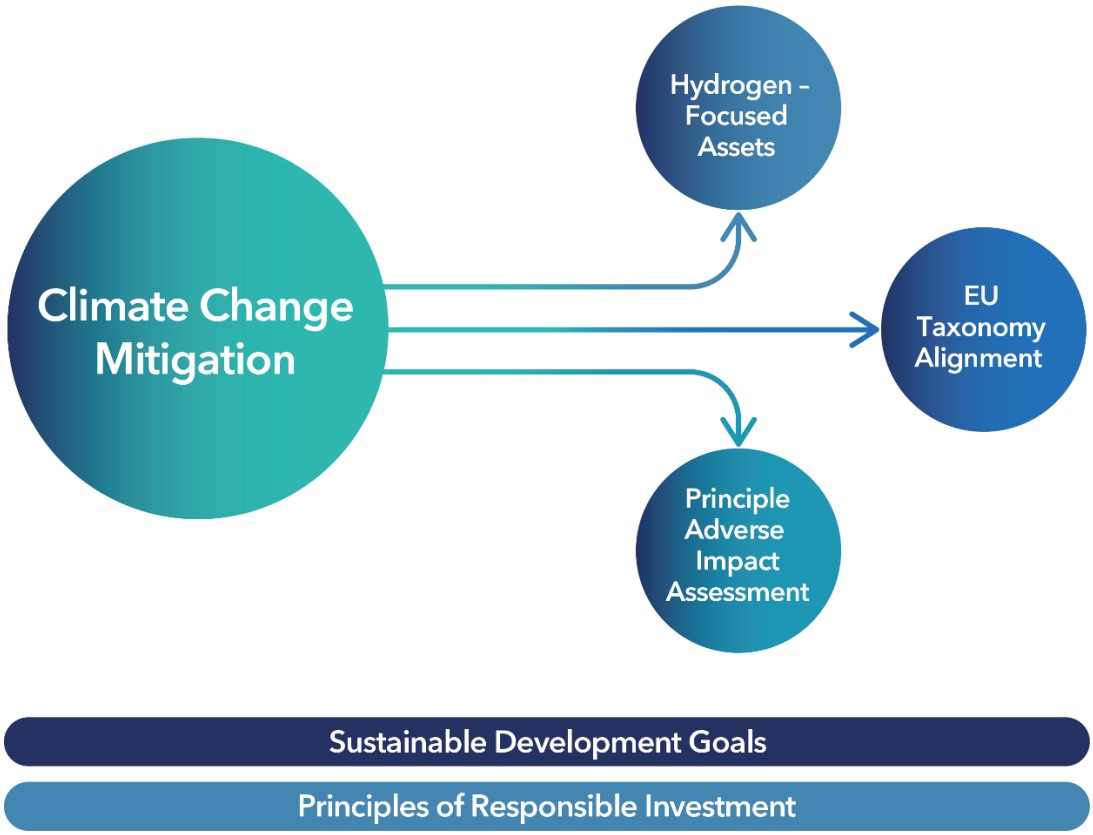
The Investment Adviser has appointed Dr JJ Traynor as the ESG Lead, whose relevant experience includes establishment of Shell's ESG practice, reporting and engagement with investors in 2005-2017. He is also one of the Principles of the Investment Adviser.

Figure 1 – Governance structure



Strategy

The Company's sustainable investment objective is set out in the "Our Approach" section of the Sustainability Report and summarised in the figure below:



Time horizons, risks and opportunities

The Company defines short-term sustainability risks and opportunities as 0-5 years, medium-term as 5-10 years, and long-term as beyond 10 years. These time horizons connect to typical investment cycles and holding periods in private capital markets, suiting the Company's business model. The short-term aligns with budgeting timeframes, the medium-term reflects a common investment horizon and holding period, and the long-term allows for value catalysts over the life of assets.

The key physical climate risks for the Company in the short-term might include operational disruptions due to weather events like floods, storms, or droughts. Over the medium and long-term, risk exposure could include water stress and heat impacts for water-intensive production facilities such as electrolyser units in southern Europe.

Impacts on business model and value chain

The Company's business model and value chain are impacted by sustainability and climate factors in several ways. Policy and market changes can influence the addressable investment opportunity in hydrogen, competitive landscape, customer demand, and compliance requirements facing the portfolio. Meanwhile, physical events could impair production assets, disrupting supply chains and revenue, but also accelerating policy tailwinds support demand. Overarching growth in hydrogen demand amid decarbonisation of heavy industries and transport provides long-term investment momentum. The Private Hydrogen Assets that the Company has backed are seeing sustained demand in chemicals, fertiliser, refining, transportation and power generation.

Geographic and asset concentrations

The Company's hydrogen activity is concentrated in major European markets. Therefore, policy shifts in these regions could affect the Company's regional outlooks and the value of its Private Hydrogen Assets. The Company's manufacturing plants, due to their physical infrastructure nature, have greater exposure to potential climate-related physical risks compared to companies focused purely on technology development.

Strategic responses

The Company has responded to sustainability and climate-related risks and opportunities through a strategic focus on investments into clean hydrogen and related technologies. Also, since each geographic market has unique dynamics, the Company has diversified across several countries, in order to mitigate policy uncertainty and potential long-term physical asset risks.

The Company has been working with its portfolio companies on improving emissions reporting, through engagement with the management teams of the Private Hydrogen Assets to implement decarbonisation initiatives across their operations. Progress has also been made on quantifying indirect contribution to emissions reductions.

Through these approaches – investing in hydrogen transition solutions, maintaining geographic diversification, and working with portfolio companies on emissions reporting and reduction – the Company integrates climate considerations into its business. This approach enables the Company to adapt its strategy as market conditions and policies evolve across different regions.

Trade-off considerations

The Company faces potential investing trade-offs weighing local sustainability impacts versus the over-arching benefits for climate change mitigation. When Private Hydrogen Assets select a location for a new manufacturing site for clean hydrogen technologies, it is important to consider the site's impact on biodiversity and its GHG footprint. Such considerations were underway at Elcogen's new facilities. An analysis of site alternatives balances projected sustainability gains and losses with sustainability considerations.

Financial impacts

As the hydrogen economy continues to scale up, the Company expects its financial performance to reflect this momentum – policy and early adoption driving near-term portfolio growth, industrial markets and cash flow expansion in the medium-term, and widespread hydrogen utilisation enabling long-term gains. Financial results remain market dependent, but the Company's strategy intends to capture opportunities while managing varied timeline risks.

Progress and next steps

The Company has established strong foundations, including formalising its ESG policies, implementing screening procedures, and reporting on key metrics. Moreover, as part of its investment strategy, the Company undertakes initial screens and detailed due diligence on the EU taxonomy alignment of prospective investments. This includes assessing turnover, operating expenses, capital expenditure, and adherence to 'do no significant harm' principles.

In future reports, the Company aims to track its progress in executing these plans as the programmes mature.

Scenario analysis

To evaluate climate risks across its portfolio, the Company conducted a scenario analysis using the Intergovernmental Panel on Climate Change's ("IPCC") Shared Socioeconomic Pathways ("SSPs"). These pathways cover a range of potential climate futures based on different emissions trajectories. The Company completed an extensive climate risk analysis examining temperature increase forecasts, flood risks, and water stress impacts across the Company's hydrogen assets. Detailed physical risk analyses using IPCC emissions scenarios (SSP1-2.6, SSP3-7.0, and SSP5-8.5) across future time horizons (2030, 2040, and 2050) are presented in the Annex document for reference and additional context.

Climate scenarios	Description
SSP1-2.6	Assumes net zero emissions are achieved by 2050, stabilising global temperature rise at approximately 1.8°C above pre-industrial levels by 2100.
SSP2-4.5	Emissions decrease but do not reach net zero by 2100. Temperatures rise 2.7°C above pre-industrial levels by 2100.
SSP3-7.0	Projects global emissions remain high throughout the 21st century, resulting in global average temperatures rising by approximately 3.7°C above pre-industrial levels by 2100.
SSP5-8.5	Projects continuing high fossil fuel usage worldwide, leading to global average temperature increases of 4.5°C above pre-industrial levels by 2100.

When taken together, heat stress, water stress and flood risk create an environment for hazards to materialise (e.g. wildfires) but the probabilities of financial loss are low. This is because there are multiple probabilities combining (firstly for the SSP scenario to occur then for the hazard to materialise within that scenario). The vulnerability of the physical assets in the locations tested is limited since they are primarily real estate assets (offices and industrial facilities) so can cope with the majority of hazards without undue financial loss.

Transition risks and opportunities

Policy and legal risks and opportunities

Climate policies and the low-carbon transition in Europe create both risks and opportunities for the Company's hydrogen holdings. Regulatory shifts that accelerate decarbonisation can support the Company's renewable investments while policies favoring high-emission incumbent energy pose a downside risk. By maintaining a strategic focus on renewable hydrogen, the Company aims to capitalise on the outsized opportunities offered by the shift to a low carbon economy, while managing regulatory and market risks. The Annex document contains expanded descriptions and additional policy details for continued analysis.

Technology risks and opportunities

Advances in production methods such as electrolysis using renewable electricity and water are enabling scalable clean hydrogen with zero emissions. Improvements are also underway in hydrogen storage density through advanced materials, liquefaction and expanded hydrogen pipeline networks, in order to support easier distribution and transportation. Additionally, continued progress in fuel cell performance and cost reduction will facilitate uptake of hydrogen-powered vehicles and assets. Deploying these new innovations alongside existing clean energy technologies can help accelerate decarbonisation, including hard-to-abate sectors. Targeted funding programmes from governments along with public-private partnerships will be key to driving the development and adoption of these transitional technologies.

Market risks and opportunities

Climate change, emissions reduction policies, and changing consumer preferences are expected to profoundly impact energy markets – driving falling costs and significant demand growth for clean hydrogen across transportation, industry, heating, and power generation applications. This represents a crucial market opportunity for the Company's assets. The Company's assets stand to benefit from both public policy incentives as well as private sector investments aimed at scaling up production and infrastructure in lockstep with demand.

However, during the transition there may be market risks from uncertainty around the timing and geography of new demand centers. However, with prudent project selection and regional diversification, the Company can mitigate these risks while leveraging the overall growth in Europe's hydrogen economy across transport, industry, heating/power – far outweighing any countervailing trends.

Reputation risks and opportunities

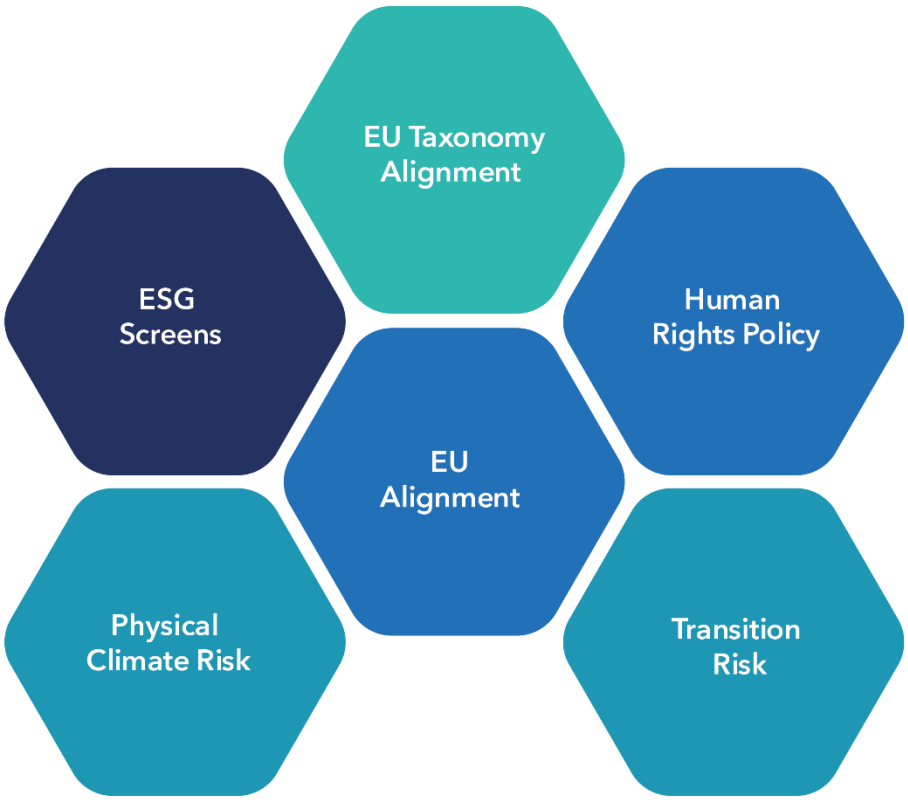
As an Article 9 climate impact fund, the Company must continue to proactively communicate and demonstrate its concrete actions to accelerate sustainability transitions across the European economy. More broadly, the Company needs to continue to showcase tangible evidence across its Private Hydrogen Assets of driving decarbonisation progress in transport, heating, and industry.

The Company is a vocal sustainability leader in Europe's hydrogen sector – supporting the necessary systemic transformations to a net zero future. Leadership vision with measurable outcomes will remain critical to managing reputation risks and realising the full market potential of its lower-carbon offerings. The identified transition risks and opportunities are summarised in the table below.

Table 1: Summary of the identified transition risks and opportunities

Pillar	Risks	Opportunities
Policy and Legal	• Policies favoring high-emission incumbent energy sources	• Climate policies supporting renewable investments (RED III, EU Hydrogen Strategy, ETS, etc.) • Direct funding and incentives for renewable hydrogen • Carbon pricing mechanisms favoring renewables
Technology	• Need for further investment and innovation in hydrogen technologies • Improvements needed in hydrogen storage density • Required advances in distribution infrastructure	• Rising adoption of renewables across Europe • Advances in electrolysis production methods • Progress in fuel cell performance and cost reduction • Support from EU, UK and national funding programs
Market	• Uncertainty around timing and geography of new demand centers • Risk of supply ramping ahead of local demand • Competition from other decarbonisation alternatives	• Growing demand across transportation, industry, heating, and power generation • Benefits from public policy incentives • Private sector investments in production and infrastructure
Reputation	• Need to continuously demonstrate concrete actions and tangible evidence of decarbonisation progress	• Position as Article 9 climate impact fund • Status as certified sustainable fund • Opportunity to showcase contributions to climate adaptation

Risk management



Pre-investment risk identification and assessment

The Company conducts bottom-up sustainability risk assessments for individual assets analysing location, emissions, and exposure to physical and transitional risks through a series of ESG screens. This asset-level analysis is supplemented by top-down identification of strategic risks across the portfolio informed by ESG data, third-party research, and assessment of sustainability megatrends. As part of the pre-investment due diligence process, the Company follows procedures to assess the Principle Adverse Indicators ("PAIs"), which are sustainability metrics defined by the EU SFDR to detect harm, are considered. There are over 60 PAIs set out in EU SFDR, the majority of which are considered only when material, though some are mandatory for periodic reporting. The PAIs cover climate (e.g. GHG emissions), nature (e.g. pollutants and hazardous waste), human rights (e.g. compliance with global standards), social impact (e.g. gender pay gap) and many more. There is not always sufficient data to undertake a comprehensive review; in this scenario estimates and judgments are used to consider the likely impact of these indicators. This work not only informs the acquisition decision but also the ownership priorities if acquired. The results of the screening and due diligence work are considered by the investment committee prior to making a recommendation to the Board.

The Company has identified 21 PAIs for its portfolio companies. These are set out in the Company's 2024 Annual Report, alongside its Annex V disclosures, and can also be found at

https://hydrogenonecapitalgrowthplc.com/sustainability/sustainability-related-disclosures/

The Company has started utilising scenario analysis, for example applying the SSP1-2.6 scenario to evaluate implications of rapid decarbonisation for physical and transitional risks. Quantitative risk criteria include potential financial impacts evaluated through stress testing, likelihood percentages informed by historical data and projections, and measured Scope 1, 2, and 3 emissions. Qualitative factors cover reputation impacts, policy and legal implications determined through tracking, technology adaptation needs informed by regular assessments, and potential disruptions to operations or revenues. The combination of bottom-up and top-down sustainability and climate risk identification provides the Company with asset-level insights and an aggregated portfolio-wide view of key risk exposures.

EU taxonomy alignment

The Company's approach to EU Taxonomy alignment is set out in the "Our Approach" section. During the year, the Company assessed its material existing investments for compliance with the EU Taxonomy as part of its classification as Article 9 under EU SFDR.

At the time of the assessment, the Company was compliant with the 75% minimum threshold it has set for alignment. As at 31 December 2024 the Company remains compliant with the portfolio 91.2% (FY2023: 92%) aligned with the EU Taxonomy. The 7.4% of non-alignment has been assessed against the relevant do no significant harm criteria in the EU Taxonomy and complies with these requirements. The non-alignment primarily relates to pre-existing revenue streams in one portfolio company that is separate from the core hydrogen focus. In addition, operational expenses that do not align typically include indirect corporate services that cannot be directly linked to a specific aligned activity, such as professional services.

Risk prioritisation

Sustainability and climate-related risks are integrated into the Company's overall enterprise risk management framework and prioritised based on impact and likelihood, regardless of risk type. This means sustainability and climate risks are weighed equally to other risks like cybersecurity or governance based on potential business impact.

However, for assets with high transition or physical risk, climate factors may be the priority exposure requiring mitigation. The Company conducts regular analyses at both the asset and company level to enable tailored decisions based on the unique risk profile of each investment.

This integrated approach allows the Company to manage sustainability and climate-related risks alongside other material business risks in a holistic fashion.

Post-investment risk monitoring

The Company has established a robust engagement and monitoring process to ensure that the sustainability strategy is effectively implemented and that any findings from the pre-investment due diligence process are properly addressed. To achieve its sustainable investment objective, the Company has set key metrics, including scope 1, 2, and 3 greenhouse gas emissions and avoided emissions. These metrics serve as the foundation for monitoring the portfolio's performance, alongside tracking the relevant PAIs.

In order to accurately monitor these metrics, the Company has implemented a comprehensive engagement strategy with its Private Hydrogen Assets throughout the year. This strategy aims to secure commitment from these companies to collect and provide the necessary data. Additionally, the Company has partnered with a third-party service provider to assist with data collection, processing, and reporting.

To further enhance risk oversight, the Company monitors results across physical, transitional, and emissions factors, enabling the tracking of changes over time. This regular monitoring provides the Company with dynamic oversight of risk trajectories across its portfolio. Expanding monitoring processes through enhancements like scenario analysis provides the Company with increasingly robust sustainability and climate risk oversight capabilities.

Opportunity identification

The Company identifies sustainability and climate-driven opportunities through analysis of hydrogen market growth projections, assessment of government policy support for low emission solutions, and monitoring of emerging hydrogen-related technologies.

The Company evaluates opportunities based on addressable market size, competitive landscape, projected growth, and strategic relevance. Prioritisation considers dimensions like growth potential, feasibility, and portfolio fit.

Leading indicators tracked for opportunity monitoring include new partnership announcements, and capacity expansion plans indicating accelerating momentum. The opportunity identification process helps align the Company's strategy and investments with growing sustainability and climate-driven market demand.

Integration with risk management

The Company integrates sustainability and climate-related risk identification and opportunity assessment fully into its enterprise risk management framework through consolidated risk reporting, coordinated oversight by the Board, and application of consistent prioritisation criteria across risk types.

This enables the Company to weigh sustainability and climate factors appropriately within its holistic risk profile and corporate strategy. Sustainability is not isolated, but embedded across the Company's integrated governance, risk analysis, and strategic planning processes.

Appendix I: Metrics and targets

The section provides an overview of the Company's environmental and social performance during the reporting period, with a comparison to the previous year. This section also outlines the methodology used in calculating the metrics, ensuring transparency and consistency. Additionally, the emission reduction pathway is presented, reflecting the Company's ongoing commitment to sustainable practices and continuous improvement in environmental impact.

The material metrics have been set out in the "Our Sustainability Performance" section of the Sustainability Report. Below the total emissions have been analysed by portfolio company.

Our methodology

The greenhouse gas emissions have been calculated in accordance with the Greenhouse Gas Protocol. Each portfolio company has been engaged during the year to develop a greenhouse gas inventory. This process includes the identification of appropriate data sources for each inventory item. Data has been collected, reviewed, and processed by an external provider to calculate the emissions. Each portfolio company receives feedback on data quality based on relevance, completeness, timeliness, and accuracy. Recommendations to improve quality are also provided, and their implementation will be monitored on a quarterly basis as data is collected throughout the year. Estimates form a necessary part of the greenhouse gas emission process, and emission factors are central to this. Primarily, the UK Department for Environment, Food and Rural Affairs ("DEFRA") emission factors have been used or, where more appropriate, the Intergovernmental Panel on Climate Change ("IPPC") emission factors can be relied upon. The Greenhouse Gas Protocol recognised both sources.

Avoided emissions have been calculated on a consequential basis using the International Financial Institution Framework for a Harmonised Approach to Greenhouse Gas Accounting. In accordance with the framework, Private Hydrogen Assets which provide products (e.g. fuel cells or electrolysers) take the expected lifetime emissions of those products as sold and operated by customers – this includes the emissions generated during operation over the product's useful life, which gives us a complete picture of each product's long-term environmental impact.

A number of Private Hydrogen Assets are at an early stage of growth, so we would expect absolute emissions to increase in future as operational activities expand and production scales up, assuming no mitigation action is taken. Several Private Hydrogen Assets have proactively sought to reduce their emission by securing renewable energy supply; this is reflected in the Scope 2 metric.

There are some limitations, in the form of estimates or data gaps, in the Scope 3 metrics. This is within expectations for the first period of reporting, and the Company is working with the portfolio to enhance the data quality for these emissions.

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, which are the focus of this report. EU SFDR requires the presentation of GHG emissions on a look-through basis, so the portfolio's emissions are aggregated by Scope and presented as Scope 1, 2 or 3 (as opposed to portfolio emissions being aggregated in Scope 3 category 15).

GHG emissions across Scope 1, 2, and 3 are calculated in alignment with the Greenhouse Gas Protocol Corporate Standard, applying the equity share consolidation approach for Private Hydrogen Assets. Activity data is collected through direct engagement with the management teams of portfolio assets to compile energy usage, refrigerant leaks, business travel activities and other parameters over a specific period. This primary data is then combined with trusted emission factors from sources such as the UK Department for Environment, Food & Rural Affairs ("UK DEFRA"), and country specific electricity grid GHG emission factors to derive total emissions. Investments into climate solutions are directly tracked as capital deployed into qualified assets that enable the global energy transition. This leverages the Company's formal classification under EU SFDR Article 9 criteria for sustainable investment.

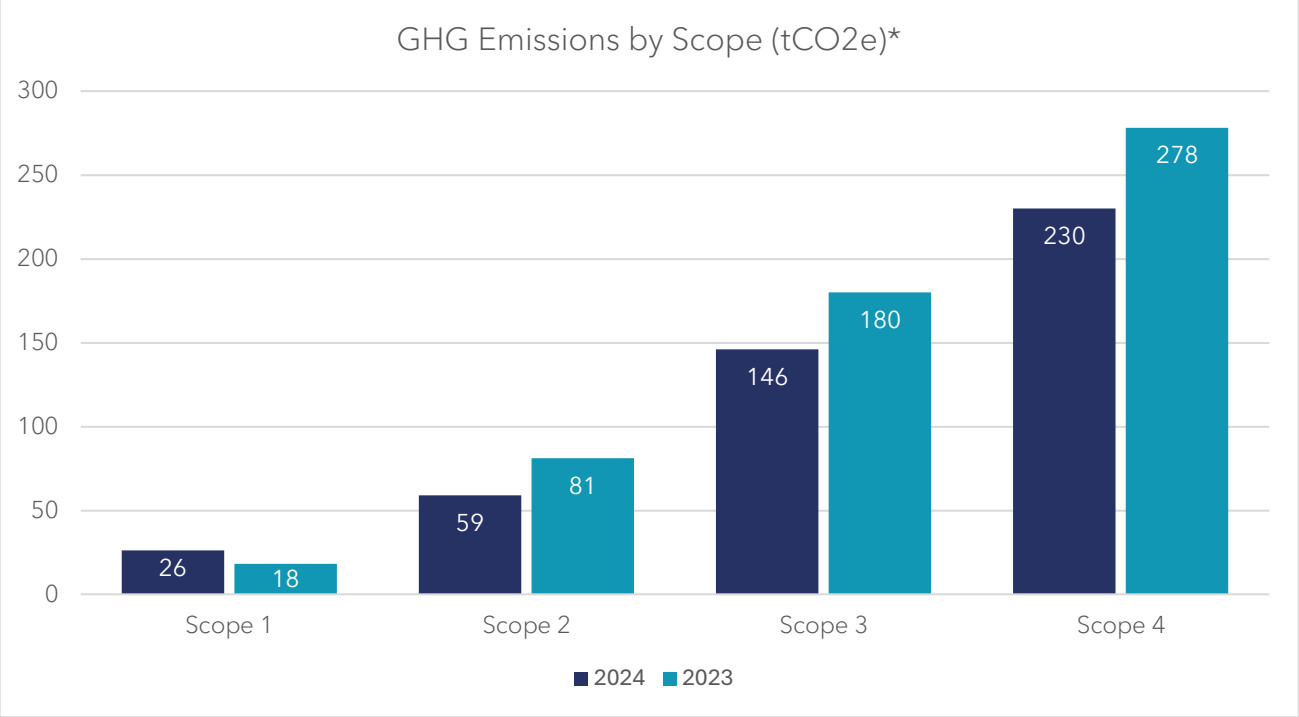
By adhering to internationally recognised GHG quantification standards, conservative displacement assumptions and regulated sustainable investment categories, the Company aims to accurately measure environmental performance as processes progressively enhance underlying data quality and model inputs.

Environmental indicators

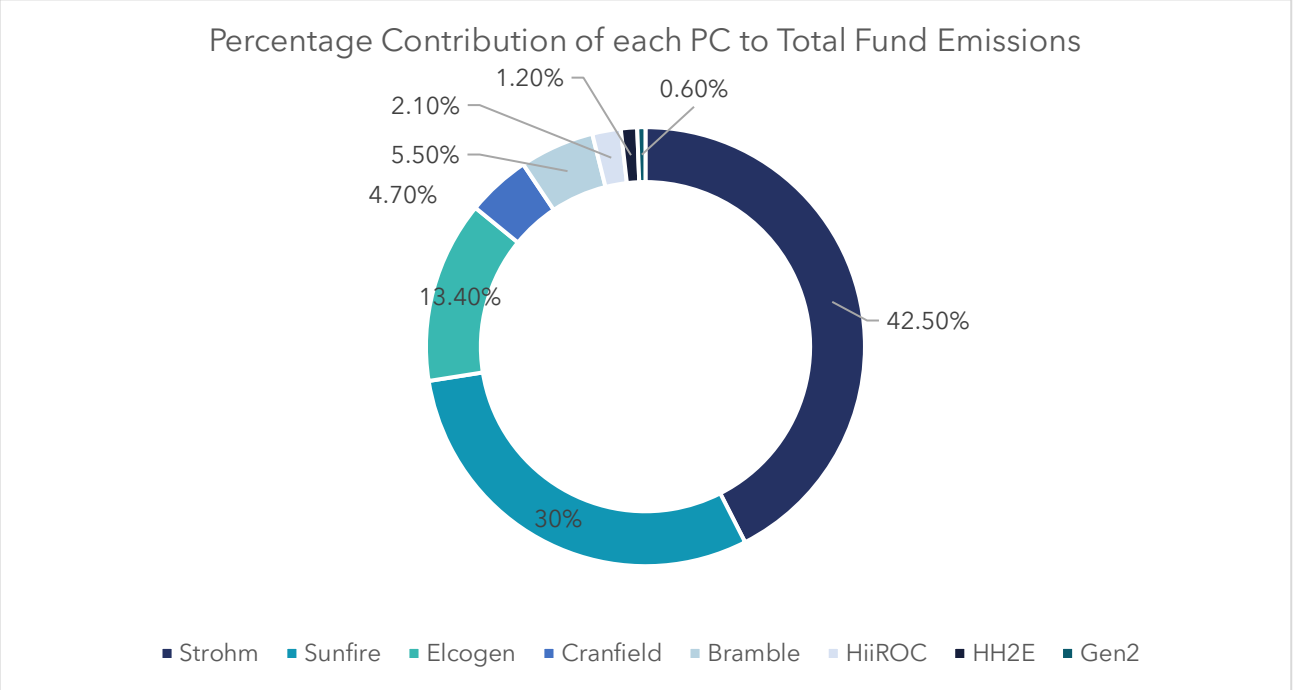
The Company discloses total GHG emissions across Scope 1, 2, and 3, providing transparency into both operational and portfolio-related climate impacts. Scope 1 covers Private Hydrogen Assets' direct emissions from activity under their control, Scope 2 stems from purchased energy, and Scope 3 represents indirect emissions from Private Hydrogen Assets' supply chain. The majority of emissions encompassing various categories within the investment portfolio, are represented by Scope 3, making it a primary focus for the Company. The total Scope 3 emissions of 146 tCO2e (FY2023: 180 tCO2e) from Private Hydrogen Assets cover different categories presented in the table below.

As an investment firm without an employed workforce, the Company calculates and reports Scope 3 Category 15 emissions which consist of the Scope 1, 2 and 3 emissions from its Private Hydrogen Assets.

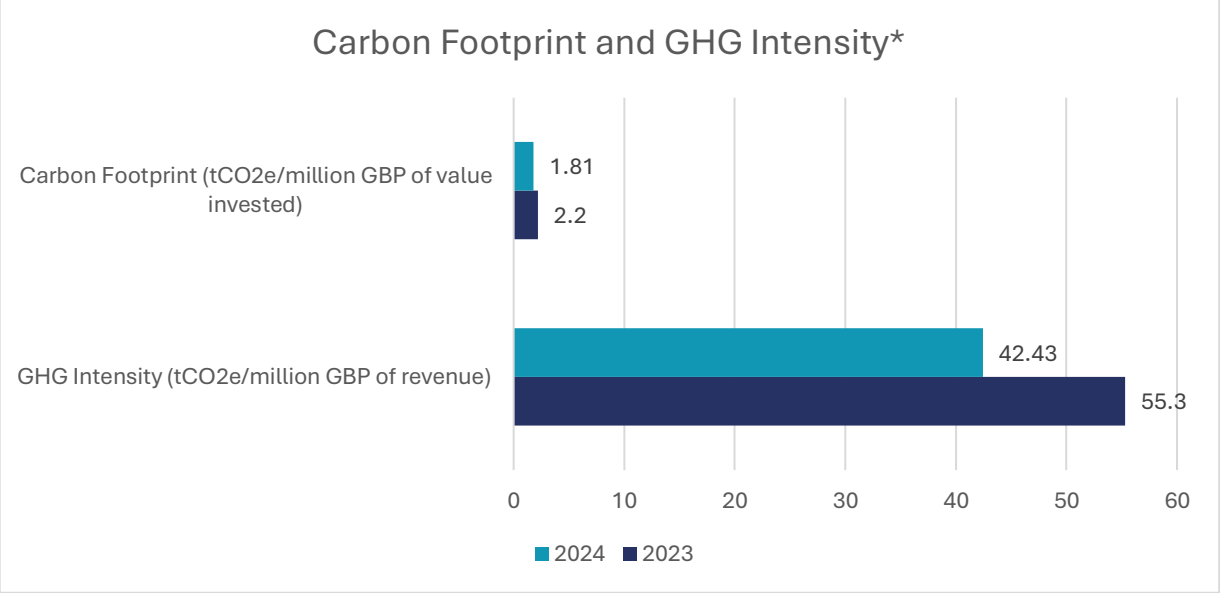
For the FY 2024, the Company reported total GHG emissions of 230 tCO2e (FY2023: 279 tCO2e) spanning Scope 1, 2 and 3. The Company also monitors the percentage contribution of each Private Hydrogen Asset to its total GHG emissions, providing a clearer understanding of the most impactful ones.



The figure illustrates GHG emissions across Scopes 1, 2, and 3 from portfolio companies, which feed into the Fund's Scope 3 emissions under category 15 (Investments).



It also tracked emissions intensity metrics including 1.81 tCO2e per million pounds invested (FY2023: 2.22 tCO2e/million GBP invested) and 42.43 tCO2e per million pounds of revenue (FY2023: 55.3 tCO2e/million GBP of revenue), and it holds no shares in fossil fuel companies, aligning its portfolio with climate goals.



**The decrease in GHG intensity is primarily attributed to substantial revenue growth across the Private Hydrogen Assets. Given that revenue functions as the denominator in the GHG intensity calculation, this revenue expansion has driven the material decrease in the Company's overall metric.*

The Company takes a rigorous approach to emissions measurement, engaging Private Hydrogen Assets and using external providers, however some estimations are still required where data gaps exist. As sustainability measurement matures, the Company plans to obtain third-party verification to provide further confidence in reported emissions figures. For now, established frameworks guide its calculations to ensure accuracy.

Disclosure of Scopes

Number of Private Hydrogen Assets Disclosing	2024	2023	2022
Scope 1	50%	56%	44%
Scope 2	75%	78%	56%
Scope 3			
Category 1: Purchased Goods and Services	63%	0%	0%
Category 2: Capital Goods	0%	0%	0%
Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	88%	0%	0%
Category 4: Upstream Transportation & Distribution	13%	33%	33%
Category 5: Waste generated in Operations	63%	67%	56%
Category 6: Business Travel	88%	67%	89%
Category 7: Employee Commuting	0%	44%	44%
Category 8: Upstream Leased Assets	50%	56%	56%
Category 9: Downstream Transportation & Distribution	25%	11%	11%
Category 10: Processing of Sold Products	0%	0%	0%
Category 11: Use of Sold Products	0%	0%	0%
Category 12: End-of-life treatment of Sold Products	0%	0%	0%
Category 13: Downstream Leased Assets	0%	0%	0%
Category 14: Franchises	0%	0%	0%

The GHG emissions data disclosed by the Company's Private Hydrogen Assets was consistent from 2023 to 2024. The table above shows the coverage of each scope by number of Private Hydrogen Assets providing data. The portfolio scopes 1-3 should sit under the Company's Scope 3 Category 15 line but, in line with SFDR, these emissions have been presented on a look-through basis to provide more insight (e.g. the portfolio company's scope 1 is aggregated into the Company's scope 1). The scope disclosures were similar across both years. The Private Hydrogen Assets primarily disclosed emissions data related to Scope 1 direct emissions and Scope 2 indirect emissions from purchased energy. For Scope 3 indirect emissions, most data disclosed by the Private Hydrogen Assets was related to Categories 1 through 9, covering emissions from purchased goods and services, transportation, waste, business travel, upstream leased assets, and downstream transportation and distribution.

The aim of this analysis is to expand the emissions data coverage on activities across the Private Hydrogen Assets and disclose more complete information across different Scope 3 categories. This will be achieved by collecting additional data from the Private Hydrogen Assets.

It should be noted that the Private Hydrogen Assets are not expected to have emissions related to downstream leased assets, franchises, or investments (Scope 3 Categories 13-15) based on their business activities.

Social metrics

For 2024, the Company reported on key social metrics across its investment Private Hydrogen Assets to complement environmental disclosures, provide a comprehensive sustainability profile, and enable assessment against responsible investment principles. In terms of human rights, 61% (FY2023: 44%) of capital has been invested in entities that do not yet have a formal human rights policy in place. This indicates an area for further improvement through active engagement. In relation to health and safety, 4.34 days (FY2023: 1.26 days) were lost to injuries, accidents, or fatalities across the aggregated portfolio asset base in the reporting period. While additional indicators will be monitored moving forward, these initial human rights and safety metrics offer an overview of social performance while providing focus areas for ongoing improvement through target-setting and company engagement. Importantly, there were no reported violations of UN Global Compact principles or OECD guidelines for responsible business conduct across the Company's portfolio. Tracking issues like policy alignment, safety, and global code adherence promotes accountability to ethical investment standards.

Strategy and performance metrics

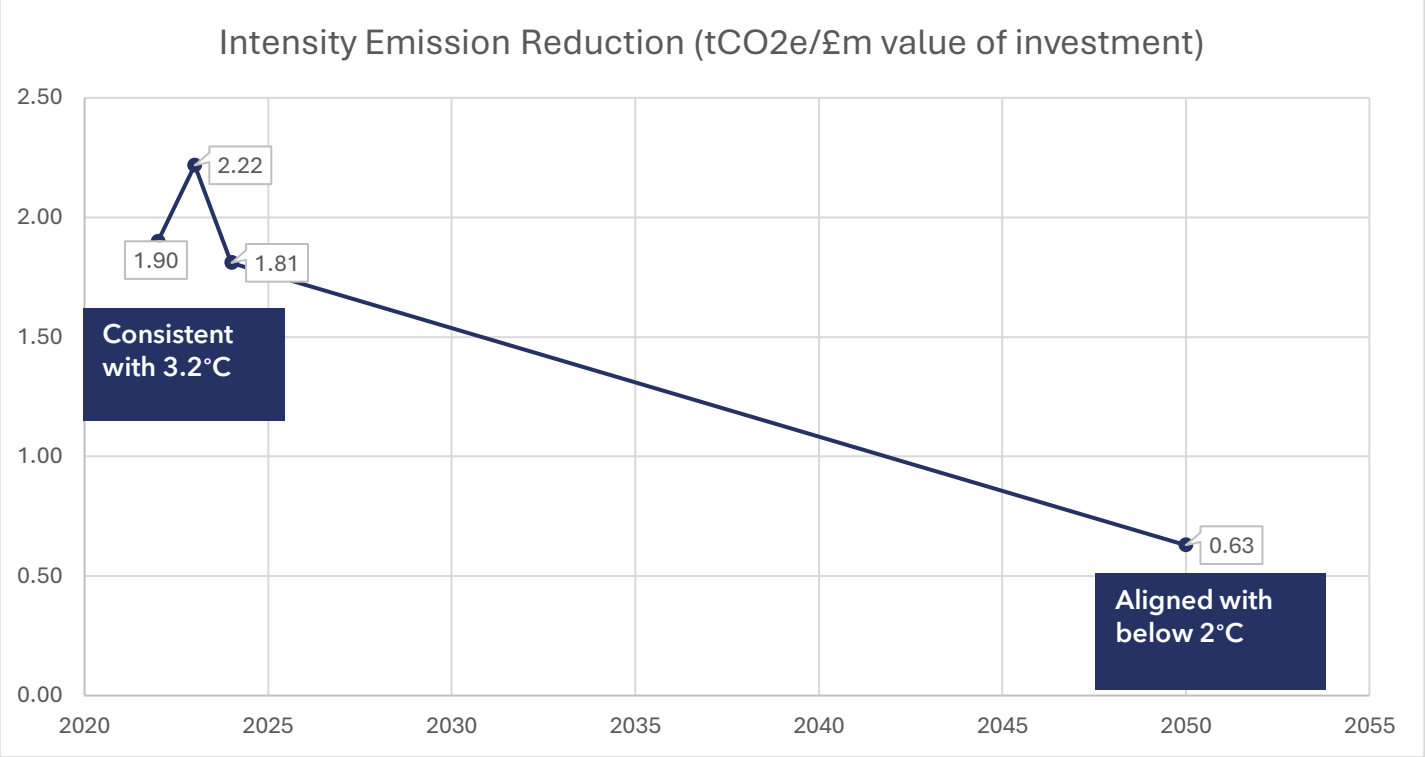
The Company utilises key metrics aligned with reporting frameworks to monitor sustainability and climate-related risks, opportunities, and outcomes. This includes GHG emissions as well as avoided emissions and investments enabling the energy transition. Both absolute metrics and normalised ratios are employed to enable multi-dimensional performance tracking.

By following widely accepted methodologies, the Company aims to quantify sustainability factors in a robust manner however limitations still exist in areas like data availability. Improvement efforts focus on enhancing data collection and refining assumptions over time. Third-party verification of metrics also remains a future objective as processes mature.

The Company's metrics aim to provide a rounded sustainability profile, measuring climate impacts along with the transition opportunities being seized. This coordinated set of indicators offers lenses into both risks and possibilities as the Company executes its strategy.

Net Zero approach

The Company recognises the imperative to further reduce emissions from its portfolio in line with the global net zero by 2050 goal. Building upon its initial assessment conducted in 2022, the Company continues to track its emissions reduction trajectory. To quantify its fair share, the Company models its emissions reduction path required across the portfolio consistent with limiting warming well below 2°C. The Company maintains 2022 as its baseline year and 2050 as its target year for temperature alignment while monitoring annual progress through 2024.



**The reduction pathway has been updated to reflect HGEN share of emission intensity*

The reduction approach involved calculating each portfolio company's total tCO2e across Scopes 1, 2 and 3. These emissions were then adjusted by multiplying them by the Company's respective percentage share in each portfolio company. That emissions figure was divided by the total value (in GBP) of the Company's investment in each portfolio company. The aggregates of those emissions and investments were used to determine a weighted-average emissions intensity per million GBP value of investment at the fund level.

Between the baseline year and 2023, the Company's emission intensity increased from 1.9 tCO2e/million GBP invested to 2.2 tCO2e/million GBP invested. This increase was driven by improved data quality and a more refined assessment of GHG emissions, which provided a clearer picture of the emissions across the portfolio. Additionally, there was an increase in overall emissions. However, in 2024, emission intensity decreased to 1.81 tCO2e/million GBP invested, reflecting a 17.55% reduction compared to 2023. The analysis also found a 64% decrease in this weighted emissions intensity by 2050, compared to 2024, representing the depth of decarbonisation alignment needed Achieving 0.63 tCO2e per million GBP value of investment by mid-century reflects the Company's proportional share modeled to meet economy-wide climate goals.

This tailored net zero calculation methodology enables the Company to promote standardised approaches to emission reductions planning aligned with latest climate science across its portfolio. By accounting for the unique attributes of each company, the Company institutes decarbonisation planning in Private Hydrogen Assets through its stewardship processes while allowing customised trajectories based on asset specifics. Progress will be tracked through the Company's monitoring of company disclosures. While complex to administer, this approach provides alignment, accountability, and flexibility to sustain emissions mitigation over the long-term.

Portfolio decarbonisation focus

Given the Company's strategic focus, it has concentrated investments entirely in the clean hydrogen sector which is positioned to benefit from the low-carbon transition. This represents over £116.3 million allocated so far that is aligned with climate opportunities in transportation and beyond. While not applying an internal carbon price, the Company estimates the emissions reduction value of hydrogen investments compared to fossil fuel alternatives. It also engages Private Hydrogen Assets to incorporate ESG metrics into executive remuneration schemes. As an investment firm rather than operating company, industry-specific metrics are not applicable. The Company focuses disclosure on cross-sector indicators related to its portfolio's climate profile and stewardship activities on sustainability issues like target-setting and data transparency. By concentrating capital allocation exclusively in climate-tech, estimating enabled emissions avoidance, and promoting climate-conscious governance, the Company embeds climate considerations strategically across its business model and portfolio.

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