

## **Sustainable Finance Disclosure Regulation (“SFDR”) Website Disclosure**

### **VH Global Sustainable Energy Opportunities plc (“GSEO” or “Company”)**

*For financial products that have sustainable investments as their objective, financial market participants shall publish the information referred to in Article 10(1) SFDR and Articles 38 to 49 RTS as included in this document.*

#### **a) Summary**

VH GSEO plc is an English registered investment company listed on the premium segment of the main market of the London Stock Exchange. The Company has an independent Board of Directors, has no employees and has appointed Victory Hill Capital Partners LLP (“Victory Hill” or “Investment Adviser”) to advise on investments and G10 Capital Limited (“AIFM”) to manage investments on its behalf. The Company invests in special purpose entities (“assets”) which are managed by an operating partner.

The Investment Adviser administers the Company’s investment policy, associated environmental and social due diligence and stewardship of the investments as referenced in this document. The operating partner manages the asset including local environmental and social opportunities and impacts as a requisite of the investment.

The Company has sustainable investment as its objective. Article 9 funds under the SFDR are products that have a sustainable investment objective. The Company’s investment policy states that it aims to achieve diversification principally by making a range of sustainable energy infrastructure investments across a number of distinct geographies and a mix of proven technologies that align with the UN Sustainable Development Goals (‘SDGs’), where the investments are a direct contributor to the acceleration of the energy transition towards a net zero carbon world. The Company investments contribute to reducing carbon emissions by generating renewable energy, avoiding greenhouse gas emissions and/or displacing harmful air emissions. The Company infrastructure investments also seek to have significant impact on the local communities they serve.

The Company’s investments in proven technologies will include exposure to power generation (renewable and conventional), biomass, transmission, distribution, storage and waste-to-energy. These investments are in operational, in construction or ‘ready-to-build’ assets. The Company’s energy transition pathways address climate change, energy access, energy efficiency and market liberalisation, therefore a selection of the Company’s investments is aligned with the objective climate change mitigation under the EU Taxonomy.

No investment made in extraction projects involving fossil fuels or minerals.

The Company takes steps to ensure that the investments do not significantly harm any of the sustainable investment objectives and takes into account the indicators on principal adverse impacts (“PAI”) on sustainability factors through internal and external due diligence of investments taking a risk-based approach.

The Company uses an external adviser to assess each investment against sustainability eligibility criteria to verify alignment against the following SDGs: SDG 3, Good health and wellbeing; SDG 7, Energy access; SDG 13, Climate action; SDG 9, Industry, innovation and infrastructure; SDG 8, Decent

work and economic growth and SDG 17 partnerships for the goal. The Company also assesses the eligibility and alignment of each of the assets with the EU Taxonomy of environmentally sustainable activities and the EU Taxonomy “Do No Significant Harm” criteria.

The Company also uses a risk-based approach described in detail in section b below. This approach makes use of international indices and regulatory research on material energy sector and infrastructure systemic risks, geographical risks and impacts as well as project specific risks related to operational activities and proximity to impacted stakeholders.

The Investment Adviser is a signatory to the Net Zero Asset Managers Initiative (NZAMI), committing to support the goal of net zero greenhouse gas emissions by 2050, in line with global efforts to limit warming to 1.5°C and will apply this commitment to the Company’s investments.

Several sustainability indicators are used to measure the Company’s progress against its net zero target as well as asset performance on material environmental and social issues. These are also key indicators in demonstrating progress towards the Company’s energy transition investment objective. Other social and environmental indicators are used to monitor asset and operating partner activities and progress on responsible business practices.

The Company does not invest in companies, it holds majority ownership interest in its assets and the Investment Adviser uses this influence to engage with operating partners on asset management. Through the appointment of senior Victory Hill asset management professionals and their representation on the boards of project companies, Victory Hill is able to ensure that issues, including ESG issues, which protect and enhance shareholder value are actively considered for the assets on an ongoing basis.

The Investment Adviser influences the governance activities of the Company’s asset operating partners by requiring the implementation of a sustainability action plan (“SAP”) that includes actions identified through the due diligence and risk analysis process. The Company’s strategic focus on the SDGs supports the OECD Guidelines for Multi-national Enterprises (the “OECD Guidelines”). A core aim is to contribute to economic, social and environmental progress priorities as identified in the SDGs.

The Company recognizes its role under the UN Framework for Business and Human Rights. Risk based due diligence and materiality analysis are therefore key parts of the Company’s investment process, which considers the impact of the asset on communities, employees, customers and other business relationships such as suppliers.

Victory Hill is a signatory to the UN Global Compact, supports the 10 principles including human rights, labour, the environment and anti-corruption and is committed to enacting the principles in its investment activities.

## **b) No significant harm to the sustainable investment objective**

The Company assesses each investment against systemic and material energy and infrastructure sector risks and impacts as identified by The International Finance Corporation performance standards, the Global ESG Benchmark for Real Assets and the Sustainability Accounting Standards Board, as well as regional and geographic risks to identify the environmental, social and governance (ESG) issues most relevant for the investment. This analysis also takes into account PAI.

The Company's scope of ESG risk and impact assessment for Assets which identifies PAI, as defined in Table 1 of Annex I and other material indicators in Tables 2 and 3 of Annex I, and published in the Company PAIS is as follows:

- Assessment of ESG risks and impacts related to the sector of operation.
- Assessment of ESG risks and impacts related to the region and country of operation.
- Assessment of ESG risks and impacts related to the operational proximity to local communities, indigenous peoples, cultural heritage and ecological and biodiversity habitats.
- Assessment of ESG risks and impacts related to operational activities such as noise, light, traffic, water use, discharge and waste.
- Assessment of ESG risks and impacts related to number of stakeholders interacting with the operation including employees, contractors, communities and customers.
- Assessment of ESG risks and impacts related to operating partner resourcing and systems for ESG management.

The Investment Adviser influences the governance activities of the Company's asset operating partners by requiring the implementation of a SAP that includes actions identified through the due diligence and risk analysis process described above, and requirements for good governance aligned with the OECD Guidelines. Victory Hill will seek to prevent or mitigate principal adverse impacts identified.

The Company will report to investors on all material matters and actions taken to support and enhance the governance and business practices associated with the assets.

The Company recognizes its role under the UN Framework for Business and Human Rights. Risk based due diligence and materiality analysis as described above are therefore key parts of the Company's investment process, which considers the impact of the Asset on communities, employees, customers and other business relationships such as suppliers. This includes impacts such as labour rights, equality, pollution, resource use, cyber security and data management as well as benefits such as job creation, pollution reduction and energy access.

Victory Hill is a signatory to the UN Global Compact, supports the 10 principles including human rights, labour, the environment and anti-corruption and is committed to enacting the principles in its investment activities.

## **c) Sustainable investment objective of the financial product**

The Company's Sustainable Energy Infrastructure Investments (as defined in the Prospectus) are aligned with the SDGs with the specific objective of facilitating the energy transition from the current

fossil fuel system to a low carbon system. The Company's energy transition pathways include climate change, energy access, energy efficiency and market liberalisation, therefore a selection of the Company's investments is aligned with the objective climate change mitigation under the EU Taxonomy. The Company infrastructure investments also seek to have significant impact on the local communities they serve.

The Company's investments in proven technologies will include exposure to power generation (renewable and conventional), biomass, transmission, distribution, storage and waste-to-energy. These investments are in operational, in construction or 'ready-to-build' assets.

No investment made in extraction projects involving fossil fuels or minerals.

The Company assesses each investment against sustainability eligibility criteria to verify alignment against the following SDGs: SDG 3, Good health and wellbeing; SDG 7, Energy access; SDG 13, Climate action; SDG 9, Industry, innovation and infrastructure; SDG 8, Decent work and economic growth and SDG 17 partnerships for the goal. The Company also assesses the eligibility and alignment of each of the assets with the EU Taxonomy of environmentally sustainable activities and the EU taxonomy "Do No Significant Harm" criteria.

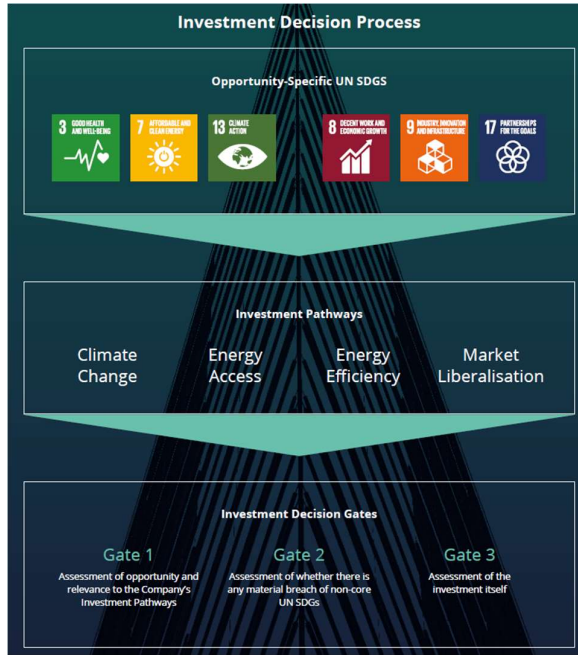
There is no specific index designated as a reference benchmark to meet the sustainable investment objective. The Fund has the objective of reducing carbon emissions by generating renewable energy, avoiding greenhouse gas emissions and/or displacing harmful air emissions. The Investment Adviser is a signatory to the Net Zero Asset Managers Initiative (NZAMI), committing to support the goal of net zero greenhouse gas emissions by 2050, in line with global efforts to limit warming to 1.5°C and will apply this commitment to the Company's investments.

#### **d) Investment strategy**

The Company's investment policy states that it aims to achieve diversification principally by making a range of sustainable energy infrastructure investments across a number of distinct geographies and a mix of proven technologies. The Company's investments in proven technologies will include exposure to power generation (renewable and conventional), biomass, transmission, distribution, storage and waste-to-energy. These investments are in operational, in construction or 'ready-to-build' assets.

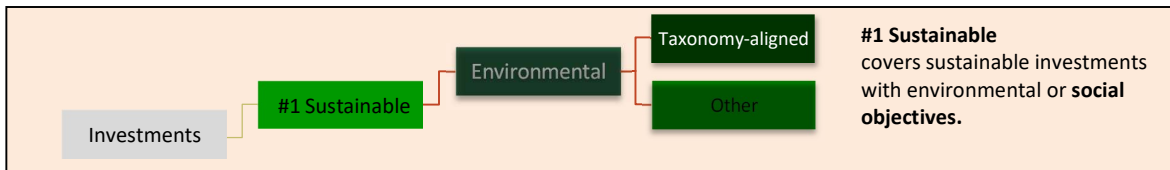
No investment made in extraction projects involving fossil fuels or minerals.

The Company will invest in assets based in OECD, OECD Accession, OECD Key Partner and EU countries. The Fund's strategic focus on the SDGs supports the OECD Guidelines. A core aim is to contribute to economic, social and environmental progress priorities as identified in the SDGs through the entire investment decision-making process. In order to do so, the Fund applies processes outlined in the diagram below:



**e) Proportion of investments**

All investments made by the Company will be sustainable investments with an environmental objective. All the investments made will be energy infrastructure assets. A selection of investments<sup>1</sup> are therefore likely to be environmentally sustainable economic activities aligned with the EU Taxonomy. The Company makes no commitment on alignment. In accordance with the SFDR, the Company will report to investors the actual proportion of investments in EU Taxonomy aligned economic activities measured by turnover, capital expenditure and operating expenditure.



The Company strategy is to facilitate the energy transition through investment in sustainable energy infrastructure. All investments that are EU Taxonomy aligned will be in transitional and enabling activities under the EU Taxonomy.

**f) Monitoring of sustainable investment objective**

The Company uses the following sustainability indicators to measure the sustainable investment objective of reducing carbon emissions by generating renewable energy, avoiding greenhouse gas emissions and/or displacing harmful air emissions.

<sup>1</sup> The Company may measure alignment with the EU Taxonomy by reference to the initial value (acquisition cost) of investments or by reference to subsequent market value of investments, and will report accordingly to investors.

Figure	Explanation
Capital investment into Energy Transition focused Portfolio Companies (USD)	Victory Hill intends that all the Company's investments will be aligned with the Energy Transition objective.
MWh of renewable energy produced	<p>This figure represents the renewable and net zero electricity generation which displaces carbon intensive generation, demonstrating contribution to SDG 13.</p> <p>Energy generation is reported to the investment adviser from the operating partners monthly.</p> <p>This generation is put into the context of the asset's embodied carbon calculated from a life cycle analysis ("LCA"). This LCA allows the Company to understand the embodied carbon in extraction, manufacture, transport, construction, operation and decommissioning activities, and to better understand the assets' contribution to net zero over the life of the investments.</p>
Carbon dioxide equivalent avoided (TCO <sub>2e</sub> )	<p>This figure accounts for renewable energy generation and renewable fuels use displacing fossil fuel generation net of any Scope 1,2 and available 3 operational emissions.</p> <p>Emissions avoided are calculated from the energy generation reported taking into account any transmission and distribution losses.</p>
Tonnes of particulate matter (PM <sub>10</sub> ) avoided	<p>These figures demonstrate the impact of renewable and cleaner fuels produced by an asset with a pollution reduction environmental objective, by reporting the tonnes of pollutive compounds removed through use of cleaner fuels. This demonstrates contribution to on SDG 3.</p> <p>Volume of fuel flows through the US terminal storage asset is used to calculated associated avoided air pollutant emissions. Fuel flow is reported monthly from the operating partner.</p>
Tonnes of sulfur oxides (SOX) avoided	
Equivalent number of homes, businesses and/or vehicles served by renewable energy or fuel	<p>This figure demonstrates the equivalent number of homes, businesses and/or vehicles served by renewable energy or fuel. This demonstrates contribution to SDG 7.</p> <p>Emission factors and electricity use published by the UK government are used to calculate equivalencies to support communication of impact.</p>

### g) Methodologies

The Company obtains external assurance opinions on an investment's alignment with the SDGs described above, covering climate action, energy access, health and sustainable infrastructure.

The Company will use the PCAF (Partnership for Carbon Accounting Financials), Global GHG Accounting and Reporting Standard for the Financial Industry and the World Resource Institute and World Business Council for Sustainable Development GHG protocol to calculate GHG emissions. Avoided emissions from renewable energy generated are calculated using WRI/WBCSD guidelines for

quantifying GHG reductions from grid-connected electricity projects accounting for transmission and distribution losses. These are global standardised frameworks that cover operations, value chain and mitigation actions.

Asset energy generation, production and consumption data will be collected monthly from operating partners and uploaded to the “Diligent” carbon accounting and ESG software. This third-party accounting tool provides 70,000 up-to-date emission factors for carbon and emission calculations published by various international and national organisations including the International Energy Agency (IEA), US Environmental Protection Agency, Australian National Greenhouse Accounting factors, and the UK Department for Business, Energy and Industrial Strategy (BEIS) and Department for Energy Security and Net Zero, and audit reports to support third party assurance. Equivalency data is obtained from the UK Government’s BEIS department published average energy consumption data by the Energy Prices Statistics Team.

The air emissions avoided are calculated by comparing the emissions from combusting High Sulfur Fuel Oil (‘HSFO’) to those from Ultra Low Sulfur Diesel (‘ULSD’) combustion where there is a reduction. Pollutant emissions factors published by ‘European Monitoring and Evaluation Programme / European Environment Agency Air Pollutant Emission Inventory Guidebook 2019’ for both HSFO and ULSD are used to calculate avoided emissions, using ‘Heavy Fuel Oil’ as the base fuel for HSFO and emissions through ‘Diesel Large SUV Euro 6’ as the base fuel for ULSD.

Third party limited assurance engagement in accordance with International Standards on Assurance Engagements (ISAE) 3000 and ISAE 3410 ‘*Assurance Engagements on Greenhouse Gas Statements*’ is obtained on impact metrics.

#### **h) Data sources and processing**

The main sources of data for measuring and analysing the sustainability criteria of the Company’s investments is provided by the operating partners.

As above, emission factors are provided by Diligent, a third party GHG accounting software tool. These are used to calculate carbon and other air emission data in line with the GHG protocol from energy use and production data. Data provided by the operating partners are uploaded to this system for processing.

A third-party expert sustainability certification expert is contracted to calculate life cycle emissions for the assets. The eco-invent life cycle inventory database is used to estimate life cycle emissions where direct value chain data is not available.

When calculating avoided carbon and other air emissions, it is assumed that the power generation or energy production is displacing energy in the current grid or market, and as such prevailing grid mix and conventional fuel emission factors are used as comparisons and to calculate avoided emissions this takes into account any T&D losses.

The Company will use an external provider to measure EU Taxonomy alignment. The external provider will use as much information as possible provided at the asset level for this purpose, including governance documentation, environmental impact assessments, or other relevant environmental studies which may have been undertaken in connection with the project.

Third party limited assurance engagement in accordance with International Standards on Assurance Engagements (ISAE) 3000 and ISAE 3410 ‘*Assurance Engagements on Greenhouse Gas Statements*’ is obtained on impact metrics.

#### **i) Limitations to methodologies and data**

Limitations to methodologies and data may include limited capacity of operating partners to measure and/or report data, transposition error in the provision of data by operating partners and limited coverage of data by operating partners. The Company works with operating partners to close any data gaps and strengthen reporting.

Life cycle emission and avoided emission calculations make use of third party and assumed energy use data, such as grid mix and emission factors. There are also limitations in identifying and collecting Scope 3 indirect emissions from the value chain. As more accurate information and data come available these calculations will be updated.

Greenhouse gas quantification is subject to inherent uncertainty because of both scientific and estimation uncertainty. Measurement criteria may change over time and the Investment Adviser aims to track changes in methodology and implement changes when required.

#### **j) Due diligence**

Victory Hill assesses assets and operating partners through an extensive ex-ante due diligence process, and includes any improvements that the company is required to undertake to environmental impact and opportunity management in a SAP. Further details are given in the section “No significant harm to the sustainable investment objective” above.

#### **k) Engagement policies**

The Company holds majority ownership interest in its assets and the Investment Adviser uses this influence to engage with operating partners on asset management. Through the appointment of senior Victory Hill asset management professionals and their representation on the boards of project companies, Victory Hill is able to ensure that issues, including ESG issues, which protect and enhance shareholder value are actively considered on an ongoing basis.

Victory Hill seeks to actively engage to maximise the performance of assets under management. This includes the adoption of ESG policies and development of SAPs to ensure any risks, impacts and opportunities identified through the due diligence and risk analysis described above, are acted upon, and process gaps closed. This includes requirements for good governance aligned with the OECD Guidelines.

The Company collects, monitors, and regularly reviews sustainability factors and other relevant data from operating partners, and reports sustainability progress on a biannual basis.