VICTORY HILL

UK Stewardship Code 2024 Report

Report by Victory Hill Capital Partners LLP
For the year ended 31 December 2024

Issued April 2025

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About Victory Hill

Victory Hill Capital Partners LLP (the "Firm" or "Victory Hill") is a specialist investment firm targeting direct investments in global energy infrastructure and investee companies that support the UN Sustainable Development Goals ("SDGs"), with the aim of facilitating an orderly energy transition to a net zero carbon future.

For Victory Hill, a core component of the business is selecting investments, which meet not only the risk and returns criteria of the Firm and fund investors, but also importantly, with the Firm's sustainable development culture.

Prior to Victory Hill the founders worked together as part of a team for over five years and completed over 91 energy M&A, project finance and capital markets transactions around the globe, building strong and established professional networks in both OECD and developing economies, reflecting the global approach of Victory Hill.

Founded in 2020, Victory Hill is VH Global Energy Infrastructure plc's ("ENRG" or the "Fund") AIFM. Under the AIFM agreement Victory Hill has agreed to provide ENRG with portfolio management, risk management, consultancy, advisory and general management services, and comply with the obligations and performing the duties and functions of an alternative investment fund manager contained in the UK AIFMD rules.

ENRG completed a successful IPO on 2 February 2021 and has a sustainable investment objective.

The Firm supports and is a signatory of:

PRI Principles for Responsible Investment

United Nations Global Compact

GIIN MEMBER

RACE TO ZERO

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

SUSTAINABLE DEVELOPMENT GOALS

Period Updates

Victory Hill is pleased to provide our fourth stewardship report covering ENRG operations, demonstrating our commitment to ambitious standards of corporate governance, the UK Stewardship Code principles and continuous performance improvement.

Victory Hill recognises that stewardship is vital to responsible investment, and our sustainable development culture enables us to make and manage investments in a responsible manner. We are committed to incorporating best practice approaches through the investment life cycle. We believe that our responsible investment practices represent an important part of our fiduciary responsibilities and our ability to deliver attractive risk-adjusted returns over the long term.

Victory Hill's asset management activities are focussed on value preservation, value creation and optimisation, reflecting ENRG investors' long-term investment horizon. Responsible investment practices and consideration of environmental, social and governance ("ESG") factors through the investment life cycle are important to this long-term approach. ESG issues present opportunities and risks and are therefore part of both value preservation and value creation initiatives.

Victory Hill recognises that the infrastructure investments we make and manage on behalf of our clients can have a material impact on the environment, societies and stakeholders associated with those assets. We are committed to conducting our business in a manner that protects the environment, health and safety of our employees, customers, and the international communities in which we operate. We operate on the principle that we can make quality business decisions while conserving and enhancing resources for future generations.

This report covers the Firm's stewardship activities covering ENRG through the Fund's financial year, 1 January 2024 to 31 December 2024.

On 2 December 2024, the Fund announced a change of its name from VH Global Sustainable Energy Opportunities PLC to VH Global Energy Infrastructure PLC. The Company's ticker symbol for the London Stock Exchange was changed to 'ENRG', while the ISIN and SEDOL remained unchanged. This change was implemented to align with new regulatory requirements for fund names established by the European Securities and Markets Authority ("ESMA").

ENRG's sustainable investment objective- to "make an impact by supporting the attainment and pursuit of key SDGs, where energy and energy infrastructure investments directly contribute to accelerating the energy transition"- remains unchanged. In keeping with this sustainable investment objective, ENRG was among the first investment trusts to announce its adoption of the 'Sustainability Impact' label under the Financial Conduct Authority's ("FCA") Sustainability Disclosure Requirements ("SDR").

Furthermore, ENRG continues to disclose as an Article 9 Fund under the EU's Sustainable Finance Disclosure Regulation and reports voluntarily its practice under the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations and requirements.

Managing Partner & Chief Commercial Officer

Navin Chauhan

Purpose and Governance

PRINCIPLE 1

Purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society

Victory Hill is a specialist investment firm targeting direct investment in global energy infrastructure and investee companies that support the United Nations ("UN") Sustainable Development Goals ("SDGs"), with the purpose of facilitating and accelerating an orderly energy transition to a net zero carbon future. Specifically, ENRG has a focus on trends that contribute to this acceleration including energy market liberalisation, energy access, addressing climate change and energy efficiency and resilience.

The energy transition is a global phenomenon that requires localised solutions. The Firm's investment strategy for ENRG seeks to take advantage of the energy transition by investing in a diverse portfolio of energy infrastructure assets. Diversification is a key part of the strategy. The ability to invest in EU, OECD countries and OECD Accession and Key Partner countries allow the Firm to take advantage of reduced correlation in energy and power prices. Alongside the ability to invest in a range of technologies, this broad geographical scope also diversifies the influence of weather patterns and prevents reliance on any single regulatory regime. Victory Hill aims to minimise concentration risk via investing across a large number of projects.

This focus supports the Firm's objective to create long-term value for ENRG investors while creating sustainability benefits for the environment and society. Investments must meet several requirements including ENRG's investment universe, the strategy's risk and return criteria, the sustainable investment objective, and importantly, be aligned with Victory Hill's sustainable development culture. Investing responsibly is critical to performance and longer-term growth.

Victory Hill's values, listed on the Firm's website, reinforce the commitment to honesty and integrity, and the importance of investing and supporting the Firm's people in delivering the best solutions and decisions.

The investment beliefs and strategy described below covers ENRG, to which Victory Hill is the investment manager.

Investment Beliefs

The world is in energy transition and there are supportive regulatory frameworks and market demand for clean, low carbon and renewable energy which enables access to capital for the Fund to deploy into sustainable energy infrastructure assets.

Global energy demand is growing with electricity and electrification to play an increasingly important role.

Renewable sources of energy, led by solar and wind technologies, are more cost effective, and specifically the power sector can expect increasing supply to stem from renewable sources, ending a dominance of fossil fuels.

Energy infrastructure as an asset class is one of the largest market segments, with the amount of global energy capital investment required rising.

Investment Objective & Strategy

ENRG's investment objective is to generate stable returns, principally in the form of income distributions, by investing in a diversified portfolio of global sustainable energy infrastructure. This deployment will occur predominantly in countries that are members of the EU, OECD, OECD Key Partner countries or OECD Accession countries. The investments in sustainable energy infrastructure seek to make an impact by supporting the attainment and pursuit of key SDGs where energy and energy infrastructure investments are a direct contributor to the acceleration of the energy transition.

The Fund looks to achieve Net Asset Value ("NAV") growth by investing in higher yielding sustainable energy infrastructure investments that are operational, in construction or "ready-to-build", but will not invest in assets that are under development (that is assets that do not have in place required grid access rights, land consents, planning and regulatory consents and commercial arrangements).

The Fund's investments in sustainable energy infrastructure must be:

(i) investments in sustainable energy infrastructure that support the attainment and pursuit of the Sustainable Development Goals (SDGs) where energy and energy infrastructure investments are a direct contributor and contribute to the acceleration of the energy transition; and

(ii) investments that can be categorised into one or more of the four "Investment Pathways" that guide the Company's investment strategy. These Investment Pathways are:
    1. Addressing Climate Change
    2. Energy Access
    3. Energy Efficiency
    4. Market Liberalisation.

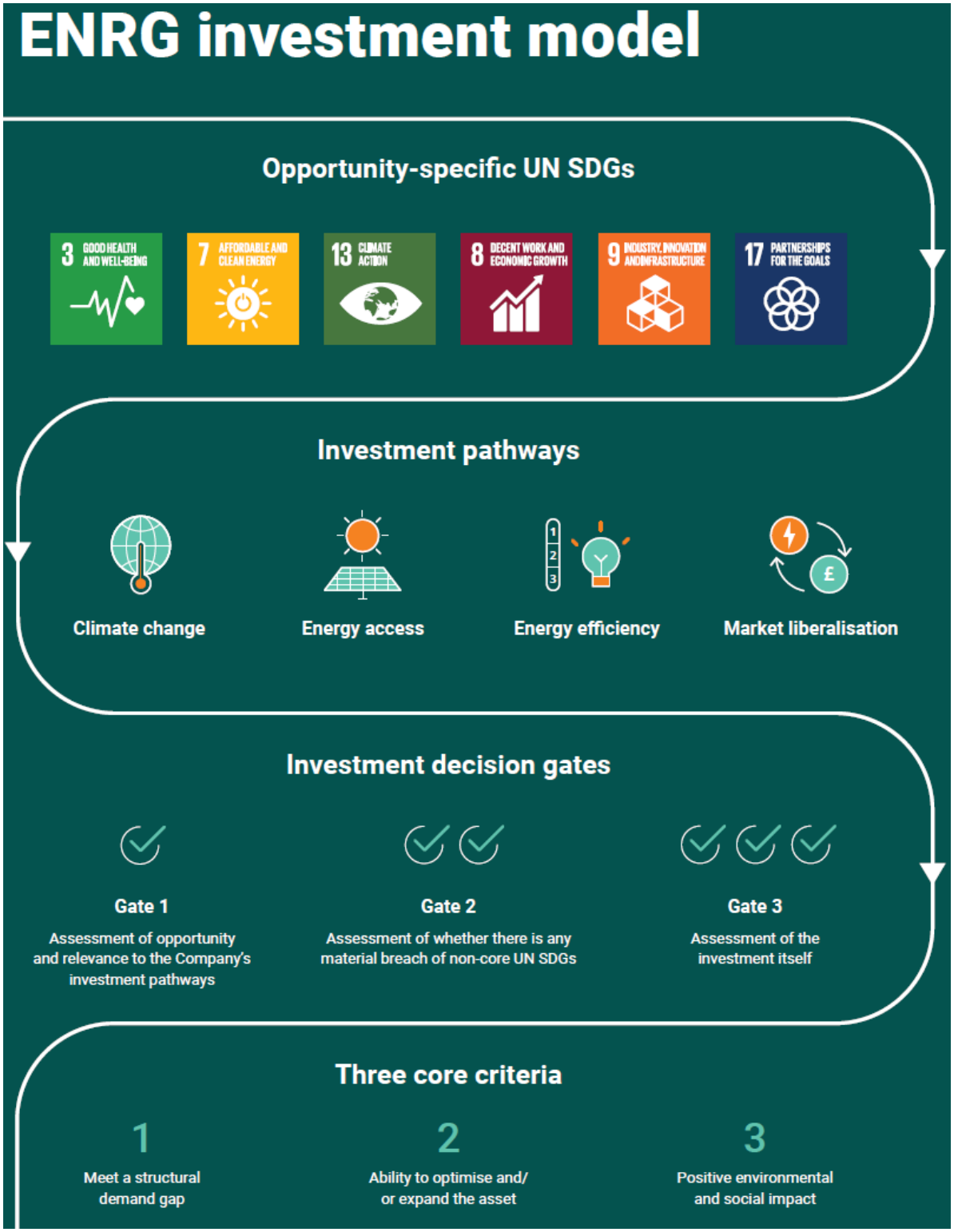
The SDGs are the blueprint for ENRG's sustainability-focused investment strategy. According to the International Energy Agency (IEA), the SDGs that are directly impacted by energy are: the achievement of universal access to energy (SDG 7), the reduction of the severe health impacts of air pollution (part of SDG 3) and tackling climate change (SDG 13).

Further SDGs have been identified by Victory Hill as having a connection with the impact of capital investment in developing sustainable energy globally. These are related to the promotion of decent working environments and economic growth, industry, innovation, and infrastructure, as well as partnerships for the goals (SDGs 8, 9 and 17).

The Firm sees opportunities post-investment to identify other SDG impacts, such as gender equality, reduced inequalities and responsible, consumption and production. The strategy post-investment looks beyond an asset's core energy transition activity to consider how the asset is operated. Managing practices should ensure that the asset contributes to a sustainable future by being inclusive, efficient, and clean. As a signatory to the UN Global Compact, the Firm takes a principles approach to managing asset impacts.

An external assurance provider is used to determine the compliance of ENRG's investments with the core SDG alignment, as well as whether the projects "do no harm" to the other SDGs.

Figure 1: **ENRG** Investment decision process



There are four investment pathways the Firm categorises investments that relate directly to the acceleration and achievement of the energy transition.

Addressing Climate Change

The issue of addressing climate change is clearly the challenge of our time. A key part of this challenge is the global community's ability to reduce greenhouse gas ("GHG") emissions in key facets of global economies and the daily lives of people.

The Fund's investment strategy focuses on themes that contribute to the reduction of GHGs. The most obvious objective is to reduce the impact of GHGs through investing in renewable energy technologies and fuel sources. As such, the Fund aims to invest a substantial portion of deployable capital into a pipeline of renewable energy infrastructure involved in power generation, energy storage, and alternative fuel sources. This also benefits energy access aims.

Energy Access

Energy is vital for quality of life but unfortunately not all people in the global community can afford the costs or even have access to it. According to the UN, more than 700 million people are without electricity or power, and 2.4 billion people have no access to clean fuels for cooking.

According to the IEA, the growth of energy demand to 2040 will come predominantly from developing economies and renewable power has the potential to provide new access to energy at an affordable price. (For example, solar generation closer to load centres bringing energy to communities that are not connected to the grid.) This form of distributed energy is most likely to be developed by middle-market participants and home-grown businesses, and lead to a reduction in reliance on fossil fuels.

Energy Efficiency

Energy efficiency implies using less energy to perform the same task and, by doing so, eliminating energy waste. Energy efficiency at a household and localised level can be achieved through the utilisation of more efficient technology or processes. For example, energy efficient buildings, industrial processes and transportation could reduce the world's energy needs in 2050 by one third and therefore help control global emissions of GHGs.

Energy efficiency may also be achieved at the grid and national levels through investment in areas such as Electricity interconnectors, Grid Resilience and Frequency Response, Power storage and Investment in ageing grid systems and 'smart grids' are considerations for the Fund.

Market Liberalisation

Market Liberalisation speaks of ensuring universal access to affordable, reliable, and modern energy supply. The liberalisation of energy markets is the first stage in the development and modernisation process of an energy market.

Broadly speaking, energy market liberalisation aims to (i) facilitate the reduction of state-ownership of key energy infrastructure and sources of energy production and supply, (ii) allow for competition and choice across the energy value chain, and (iii) facilitate the participation of private investors and capital. The goals of market liberalisation are typically favourable to consumers, as competition helps drive down household energy costs. Another effect is the attraction of new investment into the energy sector, which improves resilience, efficiency, and access.

These markets usually experience high growth from the point of liberalisation, and this helps create new, typically domestic, energy market participants that have the potential to capture

significant market share. Market liberalisation may occur in both developed and developing economies.

Sustainable Impact Objective

Targeting the energy transition, the desired change and impact is to combat climate change and air pollution. This is expected to be achieved by ENRG's investment in, and management of, sustainable energy infrastructure assets that support reduction or displacement of air emissions from conventional energy sources.

ENRG has a defined "Investment Universe" that comprises asset categories that have been pre-identified and chosen as having a positive impact on combatting climate change and air pollution by directly contributing to the acceleration of the energy transition. Therefore, an investment in any such asset is expected to enable ENRG to achieve its Sustainability Objective. For example:

- power, heat and green gas producing assets reliant on, but not limited to, wind, solar, biomass, natural gas and hydropower technologies.
- production and refinement of fuels derived from biomass sources if they meet the carbon intensity requirements.
- energy storage infrastructure such as containment and non-processing facilities for liquid and gas fuel sources, power storage utilising battery or gravity-based technologies; energy transportation infrastructure such as pipelines, interconnectors and micro-distribution grids.
- distributed energy sources (heat, power, gas & steam) which are produced close to where it will be used, rather than at a large, centralised plant elsewhere, delivered through a centralised grid infrastructure; and/or
- equipment that is installed at the premises or on site, directly connected to the premises including but not limited to combined heat and power (CHP) units, combined cooling, heat, and power (CCHP) plant schemes, HVAC units, lighting equipment, biomass boilers and steam raising boilers (including IP steam processors), in each case, either already operating or in construction.

The Fund's Investment Universe is updated on a periodic basis to ensure the capture of new or emergent technologies fitting into one of the asset classes once they have established a verifiable proven status.

All (100%) of the investments entered into by the Fund must be aligned with the Sustainability Objective. If a potential investment does not fall within the Investment Universe, then the Fund will not make such investment. No investments will be made in extraction projects for fossil fuels or minerals.

Stewardship

Victory Hill also manages the Fund's sustainable energy infrastructure assets through its engagement and stewardship activities with asset operators. This includes monitoring asset operators' compliance with their contractual arrangements with ENRG. On an ongoing basis, Victory Hill collects performance data in relation to KPIs (see PRINCIPLE 7) and certain other performance metrics from the asset operators (monthly) and has regular (bi-weekly/monthly) calls with operating partners to track progress against such KPIs and performance metrics. These engagement and stewardship activities enable Victory Hill to support the Fund's achievement of the Sustainability Objective and delivery of the Impact.

Activity & Outcomes

During the year under review the Firm successfully continued investment activities for a range of sustainable energy infrastructure assets for ENRG aligned with the Fund's sustainable investment strategy. As of 31 December 2024, ENRG had £408.5 million of sustainable energy assets under management, meeting clients' interests and contributing to the energy transition, sustainable development, and climate goals.

ENRG Portfolio Update

During the year under review, the Fund investment activities and updates included:

Australian solar and battery storage programme

- Agreement to acquire and build two new fully permitted solar PV sites with co-located battery energy storage system ("BESS") in New South Wales, Australia
- Completion of construction and commissioning of three solar and BESS hybrid systems in New South Wales, Australia

Brazilian solar PV assets

- The construction of three solar PV sites with completion of energisation in H1 2025

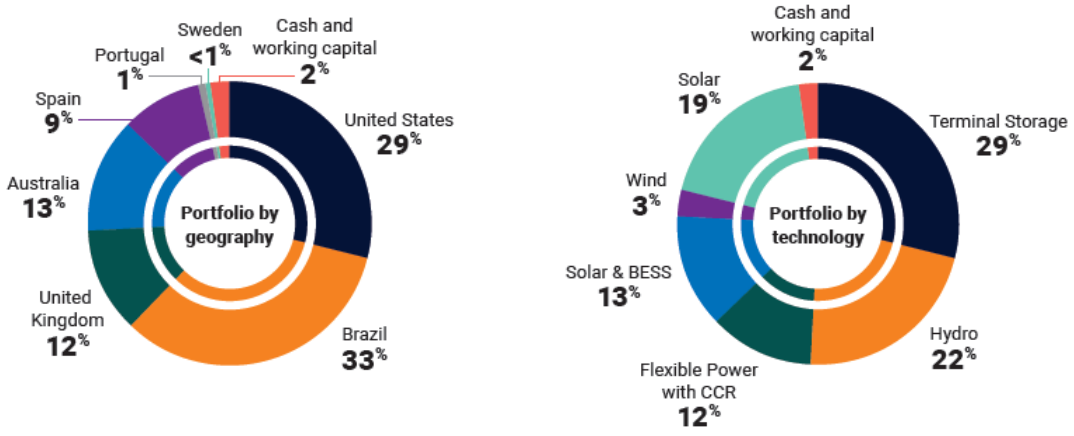
United Kingdom flexible power and carbon capture and reuse ("CCR") programme

- Successful completion of a series of hot commissioning tests of the four Rolls Royce 16V engines of the UK flexible power with CCR programme

Iberian and Swedish solar and onshore wind portfolio

- Acquisition of a portfolio of solar and wind assets across Spain, Portugal and Sweden. The programme consists of seven assets with a total capacity of 158.1MW comprising:
    - 3.7MW operational solar PV in Spain;
    - 6MW operational onshore wind in Sweden;
    - 20MW solar PV under construction in Portugal;
    - 10.3MW solar PV under construction in Spain;
    - 19.8MW RTB onshore wind in Spain; and
    - 98.3MW RTB solar PV in Spain across two sites

Figure 2: Portfolio composition as of 31 December 2024 (by value*)



**These pie charts include the assets that became operational in Brazil in Q1 2025, post period-end.*

Figure 3: 2024 Portfolio Financial Performance

		Revenue		
Programme	**2024**	**2023**	**Change**	
US terminal storage assets	US$24.7m	US$23.7m	+3.99%	▲
Australian solar PV with BESS	AUD 6.4m	AUD 2.6m	+143.45%	▲
Brazilian solar PV	BRL 23.7m	BRL 12.8m	+85.67%	▲
Brazilian hydro facility	BRL 179.2m	BRL 159.2m	+12.58%	▲
		EBITDA		
Programme	**2024**	**2023**	**Change**	
US terminal storage assets	US$13.9m	US$13.5m	+2.93%	▲
Australian solar PV with BESS	AUD 4.7m	AUD 1.7m	+169.96%	▲
Brazilian solar PV	BRL 14.0m	BRL 5.5m	+155.06%	▲
Brazilian hydro facility	BRL 110.5m	BRL 112.9m	-2.07%	▼

Figure 4: Sustainability impact data

Sustainable Development Goal	Indicator	2023 Portfolio Performance	2024 Portfolio Performance	
7 AFFORDABLE AND CLEAN ENERGY	MWh of clean energy generated	844,434 MWh[1]	856,666 MWh	▲
	Tonnes of CO_2e avoided	252,671 tCO_2e	262,501 tCO_2e	▲
13 CLIMATE ACTION	Carbon footprint (Scope 1 & 2)	3,789 tCO_2e	4,105 tCO_2e	▲
	Weighted Average Carbon Intensity (WACI)	42 tCO_2/$M	60 tCO_2/$M	▲
	Embodied emissions pay back	3 years	3 years	↔
3 GOOD HEALTH AND WELL-BEING	Tonnes of pollutive compounds avoided	Sox: 19,332 t PM: 1,706 t NOX: 1,921 t	Sox: 22,402 t PM: 1,977t NOX: 1,921 t	▲
	Total case injury number	Zero	2	▲

In addition to ENRG investment management activities, the Firm continued to work to meet new regulatory and voluntary framework requirements. This included the European Securities and Markets Authority ("ESMA") guidelines on fund names using ESG or sustainability-related terms and the Financial Conduct Authority's ("FCA") Sustainability Disclosure Requirements ("SDR") and investment labels.

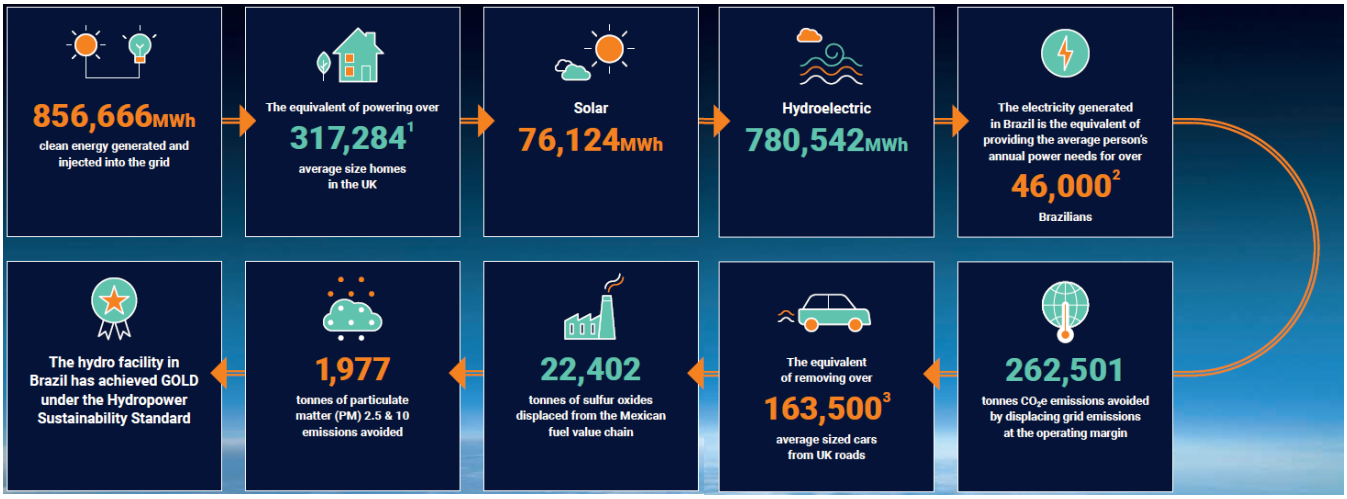
[1] Equivalent of powering approximately 317,284 average UK homes with clean energy based on average electricity usage reported by Ofgem https://www.ofgem.gov.uk/information-consumers/energy-advice-households/average-gas-and-electricity-use-explained

ENRG announced the adoption of 'Sustainability Impact' label under the SDR in December 2024. This label identifies investment products that aim to achieve a pre-defined measurable impact in relation to an environmental and/or social outcome. ENRG was one of the first investment trusts to adopt the impact label which sets a high standard for process, transparency and disclosure.

The adoption of the 'Sustainability Impact' label reflects the Fund's continued commitment to achieving its sustainability investment objective.

The Fund maintained its disclosures under Article 9 of the European Union's Sustainable Finance Disclosure Regulation ("SFDR"), continued its support for the Taskforce on Climate-related Financial Disclosures ("TCFD"), and fulfilled its commitments under the Net Zero Asset Managers Initiative ("NZAMI"), for which the Firm completed its first CDP report.

Figure 5: 2024 portfolio impact highlights



PRINCIPLE 2

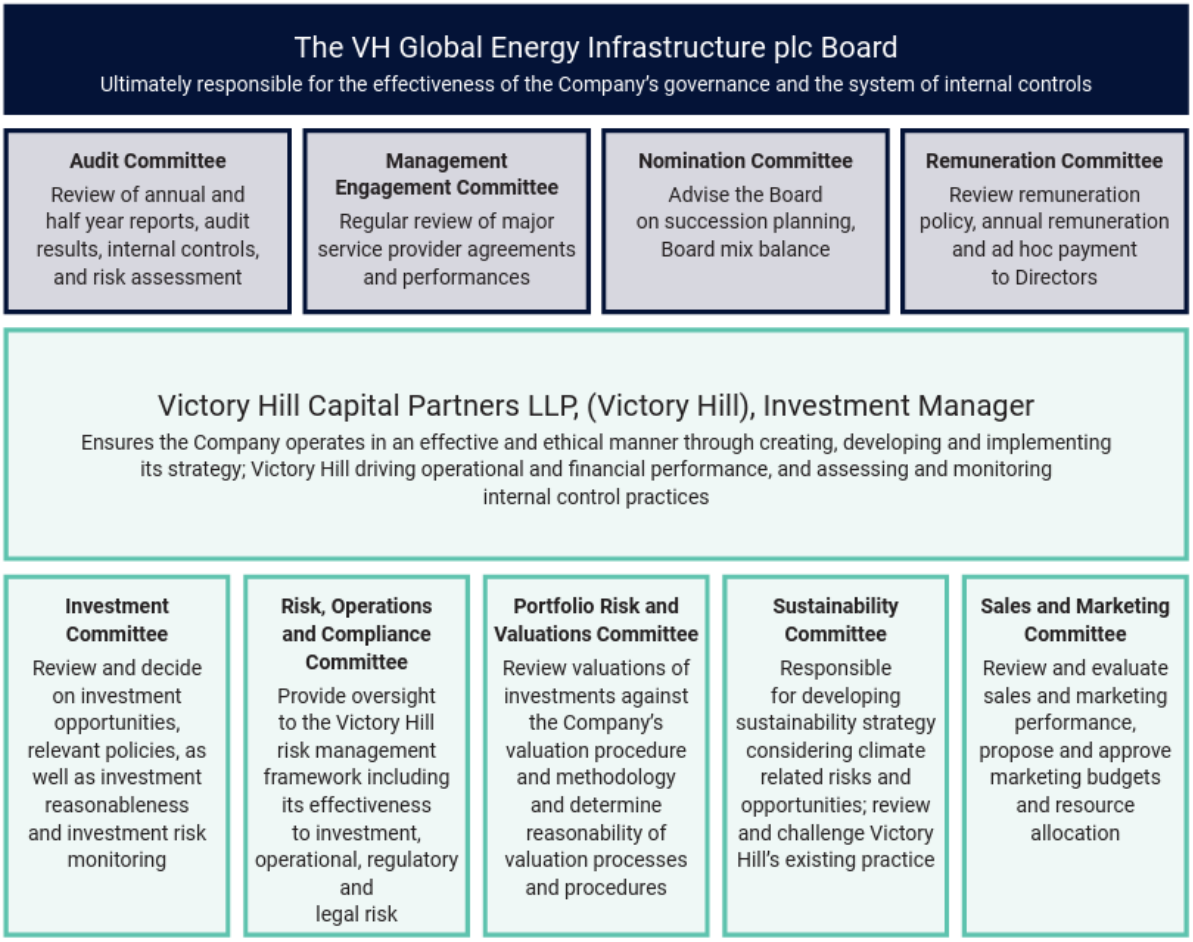
Governance, resources, and incentives support stewardship

Victory Hill Governance Structure

The Firm has five founding partners, many of whom have worked together as a team for over ten years while building strong and established professional networks in both OECD and developing economies, reflecting the global approach of Victory Hill.

Victory Hill's partnership committee oversees the implementation of the responsible investment policy. This committee includes the Co-Chief Investment Officers ("CIO"), Chief Financial Officer ("CFO"), General Counsel and Chief Compliance Officer, and Chief Commercial Officer ("CCO").

Figure 6: Victory Hill and ENRG governance structure



The Victory Hill team in 2024 comprised 15 professionals with an average 16.4 years dedicated to energy finance and investment. Every member of the investment and asset management team is responsible for implementation of Victory Hill's responsible investment policy and stewardship of assets during the investment evaluation, execution, and asset management phases of the investment life cycle. Team training is undertaken to ensure that team members have the

appropriate knowledge to carry out their responsibilities. Victory Hill has a dedicated Head of Sustainability to support investment and asset management teams in embedding ESG policy and strategy.

For ENRG, the highest governance bodies have responsibility for overseeing stewardship and management of risks and opportunities including assessing effectiveness of related actions. The independent Board of Directors has ultimate oversight for Sustainability and Stewardship aspects of investments and has a dedicated board member with responsibility for ESG and sustainability issues. They have responsibility for ensuring the reasonable expectations of shareholders are met and ensuring where responsibilities are delegated that objectives are achieved.

Victory Hill has been appointed by the Fund to manage investments and perform asset management activities. Delegated responsibilities include development and implementation of sustainability policies and processes and ensuring necessary resourcing. Oversight is achieved through several Investment Manager-administered subcommittees which include the Investment Manager's Head of Sustainability as a member. The Investment Manager subcommittees all have a role in embedding sustainability into decision making.

Investment Manager Sub-Committees:
The **Investment Committee** evaluates investment opportunities and ensures alignment with the SDG investment policy and inclusion of ESG due diligence and risk analysis in the investment process. The committee also provides oversight for investment stewardship activities, monitors investment ESG performance, and ensures actions and priorities are executed. The asset managers have responsibility for ensuring that Victory Hill's stewardship priorities are adhered to at an asset level. The investment committee therefore plays a key role in overseeing stewardship activities.

The **Risk, Operations and Compliance Committee** ensures ESG risks, including climate related physical and transition risks, are identified and corresponding controls are considered and implemented. The management of environmental and social related risks and opportunities is integrated into the Company's risk management framework.

The **Sustainability Committee** advises on ESG strategy, emerging ESG issues and provides recommendations on ESG integration into investment and asset management processes. This includes target setting, monitoring and reporting.

The Investment Manager leadership team are permanent members of the three subcommittees. Decisions and programme updates are reported to the Board and Board committees. If an investment opportunity meets ENRG's Investment Universe and the opportunity is cleared by Victory Hill's Investment Committee, in depth investment due diligence is then conducted to understand the full impact of the opportunity. The investment memorandum with supporting commercial, project, sustainability and financial information is then submitted to the Board for feedback. The proposed acquisition is then submitted for approval by Victory Hill's Investment Committee, with the Board having an opportunity to provide feedback on the investment decision before it is implemented.

Independent review

An external assurance firm is used to verify that investments are aligned with the core SDGs and the energy transition and whether the project also "does no harm" to the other 11 SDGs. This process includes reviewing material issues, including potential supply chain risks. Victory Hill is continually improving due diligence processes to understand impacts and risks better. The ENRG

process takes a double materiality approach which considers two dimensions - impact materiality and financial materiality, taking a value chain and life cycle view of impact.

Incentives

Adherence to the investment policy and sustainability policy and contributions to initiatives that support sustainability are considered in individual staff member's performance assessments, which directly impacts overall remuneration. Individuals' participation in professional development and training is provided and encouraged to continually enhance ESG capabilities.

Additionally, all members of staff are expected to contribute to the implementation of a sustainable development culture at Victory Hill that takes a principles approach to the economic, social, and environmental considerations of their work. This culture recognises that sustainable development means promoting good governance principles, transparency, health living, innovation and lifelong learning in their work and stakeholder engagements.

Diversity, equality, and inclusion are crucial elements of governance and resourcing of stewardship activities and a focus area for the Firm. The Firm recognises that a diverse workforce brings diverse backgrounds and ideas and strengthens decision-making.

Activity & Outcomes

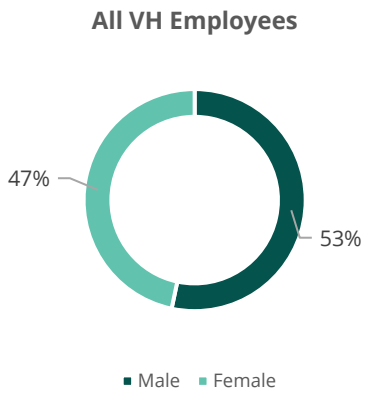
All staff are sustainability investors. The success of the Firm and its investments are naturally linked to the SDG strategy and energy transition focus. ESG and stewardship are therefore embedded in the Firm's incentive structures to deliver the strategy. The Firm had fifteen direct employees at the end of 2024. It is important that Firm staff are fully aligned with Victory Hill's sustainable development culture. As part of the annual performance objectives all partners and employees are set a sustainability objective reflective of their role.

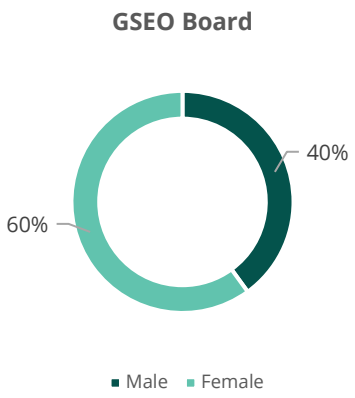
As an example, Victory Hill's senior management team (CCO, CFO, Co-CIOs and General Counsel) have a shared objective to develop and implement the sustainability programme as defined in the sustainability policy. This is separate from the role of the investment committee, whose members have an objective to challenge sustainability aspects as part of investment committee processes (including formal meetings) to ensure that sustainability has been adequately considered in the request presented for approval.

Training broadly on sustainable development as well as specific strategy aspects such as energy transition, sustainable development goals and active asset management was delivered for new hires and interns during 2024.

Diversity, equality, and inclusion are important stewardship aspects and in 2024 the ENRG board of directors had a 60:40 split in gender representation with a female majority. forty seven percent of Victory Hill staff in 2024 were female (50% excluding partners). Sixty percent of the Firm's staff came from a non-white background at year-end. Employees come from a diverse range of multicultural backgrounds including South, Central and North America, South Africa, Europe, Middle East and Asia with 11 different languages spoken.

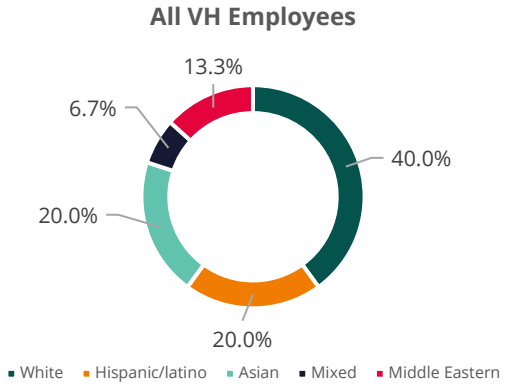
Figure 7: 2024 Gender diversity at Victory Hill and the Fund Board

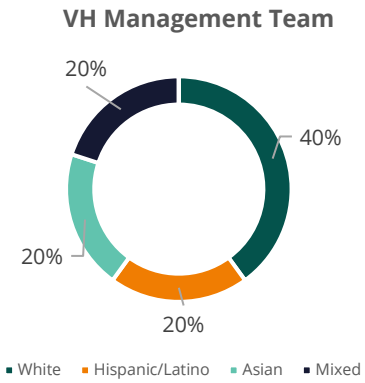




As 31st December 2024

Figure 8: Victory Hill ethnicity data for 2024 [2]





As 31st December 2024

[2] Institutional Limited Partners Association (ILPA) Diversity Definitions accessed Institutional Limited Partners Association - ILPA.

PRINCIPLE 3

Manage conflicts of interest to put the best interests of clients and beneficiaries first

Victory Hill recognises the importance of managing potential conflicts of interest. Victory Hill created a group-wide conflicts of interest policy in the first year of operation stipulating that Victory Hill has a duty to act in the best interests of its clients and investors. This policy is available on request. Should a conflict arise, Victory Hill's senior management will take appropriate steps to ensure fair treatment of all clients, including disclosure of the conflict to affected clients.

All staff are responsible for identifying actual, potential, or perceived conflicts of interest through Victory Hill's conflicts management processes and reporting the same to the Chief Compliance Officer. Victory Hill maintains a register of all conflicts which constitute, or may give rise to, a conflict of interest that may adversely affect the interests of its clients. Victory Hill documents the controls it deploys to manage such conflicts of interest. The policy is reviewed at least annually and is accessible to all staff. A dedicated governance portal – my compliance centre- is used to capture staff compliance with policies and submission of gift, outside business interests and other personal disclosures.

Victory Hill is owned fully by its partners, and therefore the Firm's senior management are aligned with the Firm's interests and its commitments to its clients.

Activity & Outcomes

. The Firm continued to strengthen its governance processes in 2024 including improving and tracking staff training and professional development activities. There were two staff dedicated to compliance in 2024. Victory Hill requires complete transparency on interests held by Firm partners and staff in other companies. Currently any outside interests are minor in nature and do not conflict with the interests of the Firm and/or its clients (including investment targets or activities). If a conflict were to arise, the Firm's conflicts identification and management processes would require that it be assessed and reviewed by the Chief Compliance Officer and the Risk, Operation and Compliance Committee. If there were any adverse impact on the interests of the Firm and/or any of its clients, the conflict would need to be removed or disclosed and any adverse impact remedied. As well as Victory Hill staff, the conflicts of interest policy is imposed on client funds and their service providers, as well as applying to existing business relationships of asset operating partners of a client fund.

Other potential conflicts such as bribery are clearly prohibited by the Firm's anti-bribery and anti-corruption policy, which includes refusing gifts which could influence employees to make decisions against the interests of clients.

Victory Hill also considers potential conflicts in the appointments to ENRG's board of directors, for example working for competing firms or potential investee companies. Listed and unlisted fund board members are required to declare any conflict of interests that arise during their term.

PRINCIPLE 4

Identify and respond to market-wide and systemic risks to promote a well-functioning financial system

The Firm has internal controls in place to manage risks to its business objectives. The Firm has an operational risk policy to ensure appropriate governance and risk management processes are in place and emerging risks are identified. A key component is the maintenance of a risk register.

The Firm has identified several market and systemic risks to its investments as part of its risk identification and management process. Some of the principal risks are provided below. These are reviewed several times a year and updated, as necessary.

Market Risks

Risk	Description of Risk	Risk Impact	Mitigation
Currency risks	The Company will make investments which are based in countries whose local currency may not be Sterling and the Company may make and/or receive payments that are denominated in currencies other than Sterling.	When foreign currencies are translated into Sterling there could be a material adverse effect on the Company's profitability, the NAV and the price of the shares.	Investments are held for the long-term. The Company enters into hedging arrangements for periods up to 12 months to hedge against short-term currency movements. Currency risk is taken into consideration at time of investment. The movement in NAV attributable to currency movements is disclosed to investors each quarter with the NAV update.
Commodity price risks	The operation and cash flows of certain investments may depend prevailing market prices for electricity and fuel, and particularly natural gas.	The actual return to shareholders may be materially lower than the target total return.	The Company mitigates these risks by entering into (i) hedging arrangements; (ii) extendable short, medium and long-term contracts; and (iii) fixed price or availability based asset-level commercial contracts.
Regulation	The Company is exposed to the risk that the competent authorities may pass legislation that might hinder or invalidate rights under existing contracts as well as hinder or impair the obtaining of the necessary permits or licences necessary for Sustainable Energy Infrastructure Investments in the construction phase.	The actual return to shareholders may be lower than the target total return.	The Company aims to hold a diversified portfolio of Sustainable Energy Infrastructure Investments and so it is unlikely that all assets will be impacted equally by a single change in legislation. The Investment Manager ensures that contracts are not exposed to government subsidies, thus mitigating exposure to policy risks linked to contract pricing. There is also strong public demand for support of the renewables market to hit 'net zero' carbon emission targets. The Investment Manager monitors the position and provides regular reports to the Board on the wider macro environment.
Curtailment risks	Investments may be subject to the risk of interruption in grid connection or irregularities in overall power supply.	In such cases, affected investments may not receive any compensation or only limited compensation.	Extensive due diligence is performed on each project before investment. The Investment Manager constantly reviews curtailment risks.

Systemic Risks

Risk	Description of Risk	Risk Impact	Mitigation
Climate-related risks			
Physical risks	Longer-term changes in climate patterns, e.g., reduction or increase in wind levels, decrease solar optimal days in impacting renewable output and associated earnings. Increased occurrence of extreme weather events such as cyclones, storms, flooding, droughts and heatwaves causing damage to assets, disruption to feedstocks, value chain, outputs and associated earnings.	These factors could result in the reduction of output from assets leading to reduced income stream. This risk may increase over the long term in the absence of climate mitigation.	The Company is investing in a diversified portfolio of energy transition infrastructure by geography, technology and capability. These investments are targeted at the energy transition to net zero. This will provide a buffer against variable weather patterns across the portfolio. The Company also mitigates risk through project revenues being contracted for the medium and long term. At the asset level, weather conditions are monitored and many of the renewable projects have battery storage capabilities to optimise energy input to the grid. Meteorology and feedback due diligence is undertaken before investment and reviewed regularly. All assets have crisis management and business continuity plans to respond to disruptions. The assets are also required to have continuous improvement management systems to build capability and capacity in the local teams and operations.
	Abrupt disruptive climate impacts such as impacts from flooding, wildfire, drought, extreme heat, or sudden regulatory actions increasing over time.	Increase operating expenditure to recover asset damage caused by natural disasters and increase insurance premium for assets in high-risk locations.	Throughout the investment decision-making process, the due diligence process accounts for climate change risk and impacts. The Investment Manager employs an insurance specialist when making investments and seeks to have appropriate contractual warranties, indemnities and insurance provisions in place to mitigate any costs relating to delays or operation disruption. Insurance requirements are reviewed on an ongoing basis.
	Uncertainty in market signals take forms in lower-than-expected power price reflected from imbalance in abundant intermittent power supply and market demand as well as lower than expected volume throughput for conventional fuel storage assets with increased demand for alternative fuels.	Increase in market volatility and abrupt and unexpected shifts in power prices make financial forecasts less reliable on intermittent renewable energy solutions. Reduced throughput for conventional fuels longer-term with expected shifts to cleaner and alternative fuels impacting existing fuel storage asset revenue flows.	The Company manages this risk through its diverse portfolio of energy transition infrastructure assets such as the battery energy storage systems and its enduring hydro facility, as well as signing fixed price offtaker agreements. The Company is assessing its longer-term strategy to adapt storage assets to accommodate alternative fuels required for hard to abate transportation including sustainable aviation fuel, renewable diesel, marine e-methanol and hydrogen as the market shifts.
Transition risks	Market shifts such as changing customer behaviour and substitution of existing products and services with lower emissions options or new technologies may dampen ability to engage investors on a broader portfolio of energy transition projects than a traditional renewable focus including different geographies. The Investment Manager monitors changes in climate change policy and assesses the potential impact and mitigation strategies.	Increase costs to adopt/ deploy new practices to transition to lower emissions technologies, reduction in the availability of market capital to invest in some local energy transition projects.	There is strong public demand for support of the renewables market towards net zero carbon emission targets. The Company is expected to hold most of its investments on a long term basis and the Board and Investment Manager monitor the position on a regular basis. The senior management team at the Investment Manager has extensive experience in executing a wide range of strategies in the energy sector, the team monitors market shifts and tailor investment strategies accordingly.

Risk	Description of Risk	Risk Impact	Mitigation
Climate-related risks			
	Policy shift may introduce regulation around climate change, e.g., increased disclosure, taxes etc. Stakeholders' increasing concerns on business practice (e.g., supply chain management, workforce management and planning) need to be addressed.	This could increase cost of doing business (e.g., higher compliance costs, increased insurance premiums, workforce management and planning), and result in reduction in the availability of capital to invest in energy transition projects.	The Company is supportive of the policy aims of the Disclosure Regulation and will comply and monitor changes. The Investment Manager engages with partners and stakeholders on behalf of the Company to gather data and drive action to improve ESG management and support disclosure and policy requirements. This includes monthly metric reporting on climate related KPIs, including energy used and generated, mitigation actions for risks and impacts, as well as any energy reduction projects. The Company's investment strategy targeting the energy transition is aligned with global policy movements on climate change which would limit impact.
Uninsured loss and damage	The risk that an investment may be destroyed or suffer material damage, and the existing insurances may not be sufficient to cover all the losses and damages.	The actual return to shareholders may be materially lower than the target total returns.	An independent insurance adviser is appointed for each project to review project risks in conjunction with the Investment Manager and to ensure that appropriate insurance arrangements are in place. Insurance requirements are reviewed on an ongoing basis.

Climate Related Risks & Opportunities

ENRG's principal risk management process, as well as the risk and opportunity-based approach to ESG management, is how the relevant climate risks and opportunities are identified. These risks are outlined in the table below. This is considered within the selection and screening of energy infrastructure investments. The risk management process considers type of infrastructure and geographic risks. Local partners are engaged to assess environmental management practices and processes, and to broaden understanding of stakeholder perspectives.

Victory Hill is a supporter of TCFD and ENRG reports under the framework. Scenario analysis was completed for ENRG's strategy taking into consideration the current geographic locations of assets and critical Tier 1 supply chain companies such as solar panel manufactures. The strategy supports a transition scenario. Commitments made internationally at the UN climate change conferences and nationally demonstrate policy and market momentum, towards energy transition and in support of the Fund's investment policy.

Scenario analysis takes a bottom-up approach given the portfolio's diversified geographic locations and technologies. Investments were considered under the following scenarios:

- NGFS climate scenarios
- IPCC Representative Concentration Pathways (RCP)

The financial impact and resilience of the Fund's investment business strategy to different climate scenarios is inherent in the Investment Manager's financial modelling processes. It is ENRG's objective to accelerate an orderly transition via its investments. It is also expected that the investments would be resilient in case of a failure to achieve the energy transition.

Scenario analysis produced a range of possible financial impacts to operational assts under three different scenarios. Scenario analysis is split into physical, and transition risks and quantifies the resilience of the portfolio to climate-related risks by assessing the impact on NAV per share.

Climate-related Risk	Risk assessment and mitigation
Risk category: Physical risk – Chronic Longer term gradual changes in climate patterns, e.g., reduction or increase in wind levels, decrease in solar optimal days impacting renewable output and associated earnings. Increased occurrence of extreme weather events such as cyclones, storms, flooding, and heatwaves causing damage to assets, disruption to feedstocks, value chain, outputs and associated earnings.	**Time horizon:** medium-term, long-term **Impact area:** business, strategy, and financial planning **Potential impact:** reduction in output from assets leading to reduced income stream. This risk may increase over the long term in the absence of climate mitigation. **Risk mitigation:** The Company invests in a portfolio of energy transition infrastructure assets, diversified by geography, technology, and capability. These investments follow the thesis of energy transition to achieve net zero goals. Such diversification provides a buffer against variable weather patterns across the portfolio. The Company also mitigates risk through project revenues being contracted for the medium- and long-term. At the asset level, meteorology due diligence is undertaken before investment, weather conditions are monitored and some of the assets have battery storage capabilities to optimise energy input to the grid. All assets have crisis management and business continuity plans to respond to disruptions. The assets are required to have continuous improvement management systems to build capability and capacity in local teams and operations.
Risk category: Physical risk – Acute Abrupt disruptive climate impacts such as impacts from flooding, wildfire, drought, extreme heat, or sudden regulatory actions increasing over time.	**Time horizon:** short-term, medium-term, long-term **Impact area:** business, financial planning **Potential impact:** Increase operating expenditure to recover asset damage caused by natural disasters and increase insurance premium for assets in high-risk locations. **Risk mitigation:** Throughout the investment decision-making process, the due diligence process accounts for climate change risk and impacts. The Investment Manager employs an insurance specialist when making investments and seeks to have appropriate contractual warranties, indemnities and insurance provisions in place to mitigate any costs relating to delays or operation disruption. Insurance requirements are reviewed on an ongoing basis.
Risk category: Transition risks – Market Uncertainty in market signals manifests as lower-than-expected power prices, driven by an imbalance between an abundant intermittent power supply and market demand. Lower than expected volume throughput for conventional fuel storage asset driven by increased demand for alternative fuels.	**Time horizon:** medium-term, long-term **Impact area:** business, strategy, and financial planning **Potential impact:** Increase in market volatility and abrupt and unexpected shifts in power prices make financial forecasts less reliable on intermittent renewable energy solutions. Reduced throughput for conventional fuels longer-term with expected shift to clearer and alternative fuels impacting existing fuel storage asset revenue flows. **Risk mitigation:** The Company manages this risk through its diverse portfolio of energy transition infrastructure assets such as the battery energy storage systems and hydro facility, as well as signing fixed price offtaker agreements. The Company is assessing its longer-term strategy to invest in storage assets to accommodate alternative fuels required for hard to abate transportation including sustainable aviation fuel, renewable diesel, marine e-methanol and hydrogen as the market shifts.

Climate-related Risk	Risk assessment and mitigation
Risk category: Transition risks – Technology, Market Market shifts such as changing customer behaviour and substitution of existing products and services with lower emissions options or new technologies may dampen ability to engage European investors on a traditional European focused renewable portfolio and often shift strategy towards a broader portfolio of energy transition projects that cover various regions and include new technologies such as biofuels and carbon capture and reuse.	**Time horizon:** medium-term, long-term **Impact area:** business, strategy, and financial planning **Potential impact:** Increase costs to adopt/deploy new practices to transition to lower emissions technologies, reduction in the availability of capital to invest in some local and/or mature technology energy transition projects. **Risk mitigation:** There is strong public demand for support of the renewable energy market towards net zero carbon emission targets. The senior management team of the Investment Manager has extensive experience in executing a wide variety of strategies in the energy sector, the team monitors market shifts and tailor investment strategies accordingly. The Company is expected to hold most of its investments on a long-term basis and the Board and the Investment Manager monitor the position on a regular basis.
Risk category: Transition risks – policy and legal, reputation Policy shift may introduce regulation around climate change e.g., increased disclosure, taxes etc. Stakeholders' increasing concerns on business practice (e.g. supply chain management, workforce management and planning) need to be addressed.	**Time horizon:** short-term, medium-term, long-term **Impact area:** business, and financial planning **Potential impact:** Increase cost of doing business (e.g., higher compliance costs, increased insurance premiums, workforce management and planning). Reduction in the availability of capital to invest in energy transition projects. **Risk mitigation:** The Company is supportive of the policy aims of the Disclosure Regulation and will comply with it and monitor changes. The Company, via the Investment Manager, engages with partners and stakeholders to gather data and drive action to improve ESG management and support disclosure and policy requirements. This includes monthly metric reporting on climate related KPIs such as energy used and generated, mitigation actions for risks and impacts, as well as any energy reduction projects. The Company investment strategy targeting the energy transition is aligned with global policy movements on climate change.

Climate-related opportunity	Opportunity description
Opportunity category: Energy Source, Resilience Decarbonisation policy and market shifts will drive new renewable energy, new fuels and energy storage opportunities. This is aligned with the Company's strategy to invest in energy transition infrastructure. Increased need for global energy access from a mix of sources as developing countries expand grid access to populations.	**Time horizon:** medium-term, long-term **Impact area:** business, strategy, and financial planning **Potential impact:** • Creates more deal origination opportunities in support of energy transition which aligns with Company's investment strategy. • Increases capital availability as more investors favour lower-emissions programs.
Opportunity category: Resource Efficiency, Energy Source, and Products and Services Volatile power price movements support an increase in energy efficiency grid infrastructure investing which leads to increased source of revenue.	**Time horizon:** short-term, medium-term, long-term **Impact area:** business, strategy **Potential impact:** • Provides additional revenue sources in marketplaces with abundant intermittent power supply through harvesting merchant pricing. • Supports in energy efficiency and energy security reinforces intangible benefits such as reputation, brand and goodwill, together with employee, partner and stakeholder engagement.
Opportunity category: Energy Source, Markets, and Resilience Market liberalisation in developed and developing economies is creating opportunity for market share in renewable and alternative energy opportunities in new geographies.	**Time horizon:** short-term, medium-term, long-term **Impact area:** business, strategy, and financial planning **Potential impact:** • Access to new markets leads to an enhanced competitive position through addressing shifting consumer preferences, resulting in increased revenues. • Increases availability and diversification of financial assets such as green bonds. • Improves resource efficiency and reduces operating costs. The Investment Manager has engaged and will continue to reach out globally with various companies and investors to support expansion of the Company and sustainable energy infrastructure investments.
Opportunity category: Resource Efficiency, Markets, and Resilience Decentralisation of energy generation creating new opportunities for investment in renewable and other sustainable energy infrastructure.	**Time horizon:** short-term, medium-term, long-term **Impact area:** business, strategy, and financial planning **Potential impact:** • Enhances competitiveness and increases revenues through new solutions, access to new markets, diversification, resilience planning and relationships. • Increases reliability of supply chain and ability to operate under various conditions. A pipeline of investments is constantly being identified, with the Investment Manager regularly reporting to the Board on this pipeline.

The Firm has reported climate related data based on the TCFD framework recommendations considering the risks and opportunities to the ENRG portfolio and strategy.

Activity & Outcomes

In 2024 the Firm continued to complete third party physical climate risk and vulnerability assessments (CRVA) for newly acquired and commissioned investments. Specifically for Iberian and Swedish wind and solar operating assets acquired by ENRG in 2024. The CRVA was conducted in accordance with the criteria of the EU Commission Delegated Regulation (EU) 2021/2139 which form the Technical Screening Criteria of the EU Taxonomy. Specifically, to accord with the

requirements of Appendix A of the above regulation, the Generic Criteria for Do No Significant Harm to Climate Change Adaptation.

The CRVA was carried out using climate projections across different Representative Concentrations Pathways used by the Intergovernmental Panel on Climate Change (IPCC) fifth assessment report (AR5) and/or sixth assessment report (AR6) as appropriate.

Climate modelling of regional impacts on the locations where each of the assets are situated was used. The impacts of these changes were interpreted to understand the physical hazards the assets might experience over their lifetime. The sustainable energy infrastructure investments considered under the CRVA have expected lifespans greater than 10 years.

Vulnerability of the assets to projected climate-related hazards was considered based on asset design standards, site locations and risk to climate-related impacts as well as historic climate-related issues which may have been experienced in the region. The process also considers the type of asset and whether it will be impacted by changes in weather (e.g., wind, drought, flood, and irradiance), supply chain disruption (e.g., energy supply), and market demands.

Adaptation solutions were identified based on the outputs of the CRVA. These adaptations show how the resilience of the asset is improved to withstand such vulnerabilities. The most common hazards identified was the potential for wildfire or flood. All assets have appropriate drainage designed and, in some cases, such as in the Brazil solar PV assets they were enhanced to move excess water away from sites. All sites also have appropriate firefighting equipment installed.

In 2024 the resilience of the fund's strategy was assessed quantitatively under different climate related scenarios taking into consideration both physical and transition risks as described above. This was refreshed using the same 2023 methodology, inputting newly released NGFS data.

Using the Global Change Analysis Model (GCAM), part of the NGFS, transition risk was quantified under the following scenarios.

- Current Policies/BAU: Current Policies, Nationally Determined Contributions (NDCs)
- Paris Aligned Well-Below 2C: Below 2C, Delayed Transition
- Paris Ambitious 1.5C: Net Zero 2050, Low Demand

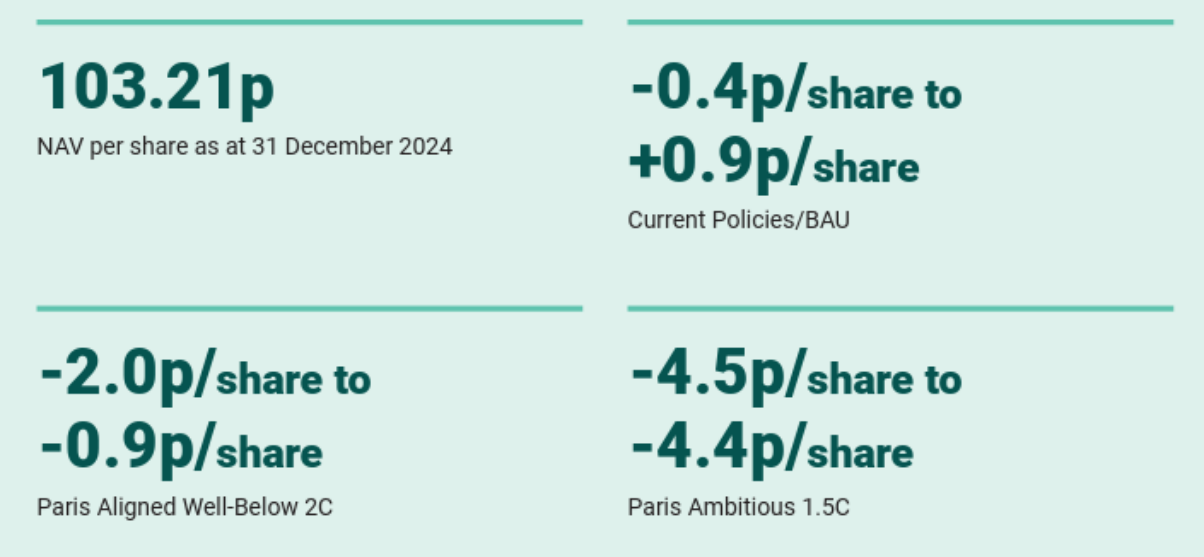
One key variable was identified as the main driver for each programme to assess the impact of transition risk on the value of the portfolio. Power price was selected as the main driver for the Brazilian hydro facility, the Australian solar PV with battery storage assets, and the Brazilian solar PV assets. For the US terminal storage assets, volume throughput was selected, accounting for the change in demand for oil and the transition to alternative fuel sources such as hydrogen and biofuels.

Country and market specific scenario data was used when available. Particularly when considering Latin American markets, scenario results varied significantly between countries in the region, so local predictions were used for Brazil and Mexico. Similarly, Australia/New Zealand region was used for the scenario analysis of the Australian solar PV with battery storage assets.

By considering a bottom-up approach to conduct scenario analysis, the factors were shocked in the asset valuation models and the impact on the life-time dividends assessed by discounting them to present value. Valuation impact was assessed at both programme level and portfolio level.

The portfolio level results are highlighted below in a NAV per share impact range. The Fund benefits from both technology and geography diversification, demonstrating the inherent focus on the energy transition in the investment strategy.

Figure 9: Estimated NAV per share impact under transition risk scenarios



Among the operational programmes, the US terminal storage programme shows the highest impact to transition risk. This is driven by the change in oil demand and the transition to other fuels such as biofuels and hydrogen observed in Mexico. The Brazilian hydro facility and the Brazilian solar PV assets benefit from higher power prices across all scenarios. The Australian solar PV with battery storage assets experience minimal impact which does not register on the impact graphs given power price assumptions in the Australian/ New Zealand region as well as the portfolio composition of which the Australian programme contributes 13%.

The Firm is committed in developing and employing the best available data, scenarios and methodology and for the fund selected the most relevant variable when performing the scenario analysis. However, the Firm recognises there are high levels of uncertainty and limitations in the climate models, scenarios and methodology. Therefore, the figures reported should be seen as indicative of potential impact and not performance forecasts.

Figure 10: Portfolio and programme valuation impact under transition risk scenarios

Note: the blue line represents the portfolio valuation as at 31st December 2024. The orange boxes represent the % range of impact on the portfolio and programme valuation under the different scenarios.

The Company identifies physical risks in the asset specific CRVAs and proactively takes steps to mitigate climate-related risks and build asset resilience. Acute physical risks including but not limited to hurricanes, wildfires, floods and heatwaves are mitigated through insurance policies, while chronic physical risks such as higher average temperatures and changes in precipitation patterns are mitigated through the asset design and operational management.

The IPCC AR6 report quantifies the insured damages projected impact under the RCP 2.6 scenario and RCP 8.5 scenario for Australasia. The Company uses the percentage increase in insurance premiums as a proxy for the insured damages projected impact. The Company applies this shock to assess the impact on the programme level and portfolio level valuations as follows: 7% under RCP 2.6 scenario, 7.5% under RCP 4.5 scenario, 8% under RCP 8.5 scenario. The shocks are applied across the three operational programmes: US terminal storage assets, Brazilian solar PV assets, and Australian solar PV with battery storage assets. In the case of the Brazilian hydro facility, performing a hydrological risk assessment that estimates the capital expenditures required to build additional measures to cater for an increased maximum river flow was considered more relevant and appropriate.

Under the RCP 2.6 scenario, the NAV per share impact is -0.42p/share, while under the RCP 8.5 scenario the NAV/share impact is -0.63p/share. The subdued impact highlights the inherent risk analysis and considerations that the Company uses in its investment strategy.

The Company focused on one key variable or factor when performing the physical risk scenario analysis, while keeping all other model inputs constant. Due to the complexity of variable interactions and model impacts, the Company is aware that limitations to the scenario analysis remain and is fully committed to develop the methodology further. Therefore, the figures reported should be seen as indicative of potential impact and not performance forecasts.

Given that the energy transition is the focus of the Company's investment strategy, the Company inherently considers both transition and physical risks and opportunities in its investment decision process and asset life cycle management. Thus, the results and scenario analysis are in line with the Company's strategy.

Figure 11: Estimated NAV per share impact under physical risk scenarios

Collaboration with Other Stakeholders

Collaboration with like-minded investors within formal or informal forums is part of the engagement considered by the Firm. Victory Hill believes that this will allow the Firm to achieve common goals, particularly regarding mitigating systemic risks. Victory Hill is a signatory to the UN

PRI and works with other industry participants to promote the continued improvement of the infrastructure market.

As an asset manager of sustainable energy infrastructure, the Firm recognises that some macro changes are shaping the present and future of the industry. This is particularly the case with climate change, on which Victory Hill have implemented processes to ensure that climate-related risks and opportunities are considered as per of the investment due diligence process. The Firm actively engage with the management teams of assets on the topic of climate change to improve the climate resilience of the fund portfolios. At an industry level, Victory Hill believes that climate-related disclosures can help drive more informed investment decision-making for long-term assets. For that reason, Victory Hill officially supports the recommendations of the Task Force on Climate Related Financial Disclosures ("TCFD") and reports under the framework.

In 2024 ENRG announced the adoption of 'Sustainability Impact' label under the SDR. This label identifies investment products that aim to achieve a pre-defined measurable impact in relation to an environmental and/or social outcome. The adoption of the 'Sustainability Impact' label reflects the Fund's continued commitment to achieving its sustainability investment objective and the intent to work within the UK regulatory framework.

The Fund also maintained its disclosures under Article 9 of the European Union's Sustainable Finance Disclosure Regulation (SFDR) and responded to consultation request from the European regulators. Commitments were fulfilled under the Net Zero Asset Managers Initiative (NZAMI), for which the Firm completed its first CDP report.

SDG 17 is included in the Firm's investment process. 'Partnership for the Goals' recognises that the SDGs can only be met if all stakeholders work together to mobilise financial resources globally. This is the Firm's approach to its investments. The values of honesty, integrity, transparency, and partnership are integral to the Firm's stakeholder engagement.

PRINCIPLE 5

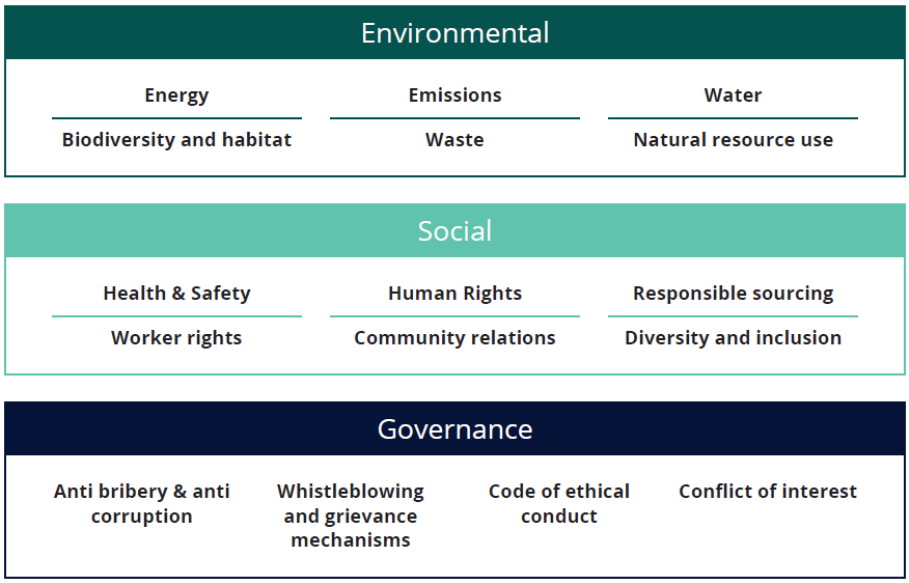
Review policies, assure processes and assess the effectiveness of activities

Since inception in 2020, the Firm has maintained a robust governance framework which oversees the Firms comprehensive suite of policies, procedures, systems, and controls. Policies have been approved at the highest level of the Firm and are reviewed at least annually to ensure compliance with regulatory requirements and voluntary commitments.

Policies related to stewardship are listed in the figure below. These include, but are not limited to, commitments on health and safety, anti-bribery and anti-corruption, anti-bullying and harassment, equality, diversity and inclusion, whistleblowing, and anti-modern slavery and trafficking, responsible procurement, and codes of conduct. Commitments can be viewed in the Firm's sustainability policy on the website.

The health and safety policies cover expectations for risk-based management systems for asset partners as well as company occupational health. The Firm's stewardship policy commits the Firm to the responsible allocation, management, and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society. The Firm's objectives and overall governance enable the Firm to comply with this approach.

Figure 12: ESG policies to support the Firm's sustainable development culture



Victory Hill also has oversight of the development and implementation of ESG policies, processes, and resourcing to support the Fund investment process and asset management. Operating partners are expected to have corresponding commitments tailored to their business activities. The Firm assists partners in developing these and identifying material issues for management.

The Firm's sustainability policy and investment policy underpin delivery of commitments to sustainable investments. The policies set out commitments to track environmental and social performance of investments.

Processes defined within policies, such as the investment policy SDG assessment, make use of external verification to give the Firm a third-party opinion on investments to ensure a consistent approach and alignment with stewardship commitments. The external assurance firm verifies that investments are aligned with the core SDGs and the energy transition and whether the project also "does no significant harm" to the other 11 SDGs. This process includes reviewing material issues and potential supply chain risks. Other supporting processes such as the ESG materiality, risk management and due diligence processes identify ESG issues and incorporate actions into the assets and operating partners' business practices through a continuous improvement management cycle.

Operating partners are required to have SPE-level ESG processes to manage and mitigate asset associated environmental and social issues. This is identified in an asset-specific sustainable action plan (SAP) which includes expectations for dedicated resourcing for ESG issues, management systems such as ISO 14001 and 4500, key performance indicator reporting and target setting.

Adherence to the investment policy and sustainability policy, and contributions to initiatives that support sustainability are considered in individual staff members' performance assessments, which directly impact overall remuneration. Individuals' participation in professional development and training is provided and encouraged to continually enhance ESG capabilities .

Oversight of policies and processes and their effectiveness is accomplished through several Firm administered committees. The Investment Committee ensures inclusion of ESG due diligence in the investment process and plays a key role in overseeing stewardship activities and ensuring stewardship priorities are adhered to at an asset level.

The Risk, Operations and Compliance Committee ensures principal ESG risks, including climate related physical and transition risks, are identified and controls implemented.

The Sustainability Committee advises on ESG strategy and monitors and tracks the ESG performance of investments. The committee provides input as required into other Firm committees including the Partnership Committee, Risk, Operations and Compliance Committee and Investment Committee.

Activity & Outcomes

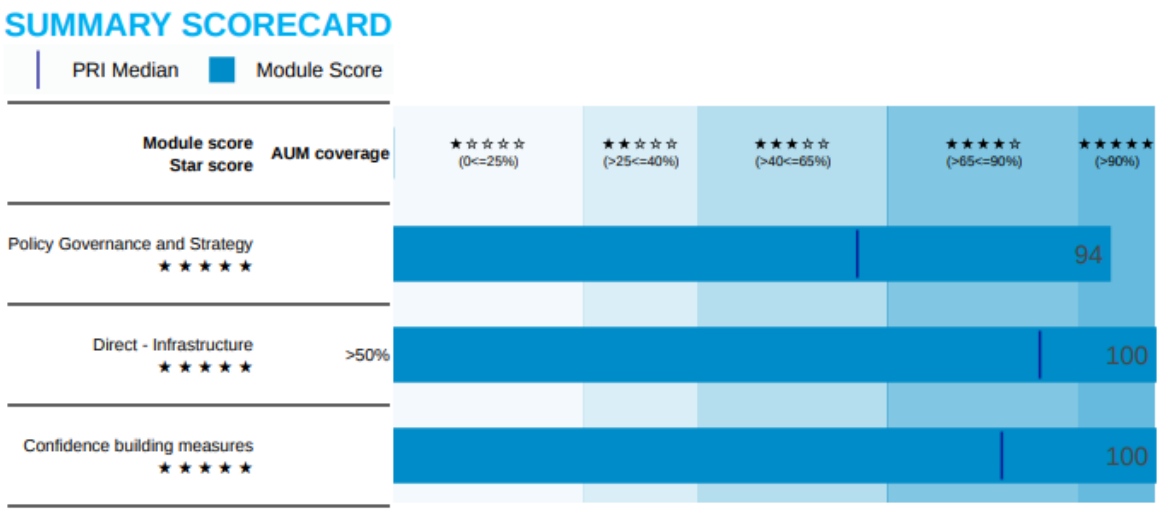
A Sustainability Action Plan ("SAP") was implemented for all operational assets in 2024 . These SAPs were based upon a materiality and risk assessment process outlined in the investment approach (Principle 7) below. Actions identified include ensuring a complete set of policies and processes to address systemic and material ESG risks to the business. The Firm worked with the operating partners to identify and close gaps.

Limited assurance was obtained on core ESG data submitted by operating partners in 2024. This process delved into operating partner data management and source documentation with recommendations from the assurers on how to strengthen processes. The assurance report is available on the ENRG website.

On an annual basis, responsible investment and stewardship policies are reviewed and updated (if required) and objectives are set for the year ahead by Victory Hill's executive committee.

The Firm reported to the UNPRI for the second time in 2024 achieving the following scores for policy governance and strategy. The Firm also reports under CDP SME achieving the highest score for SME – B.

Figure 13: UNPRI summary scorecard 2024



Investment Approach

PRINCIPLE 6

Take account of client and beneficiary needs and communicate the activities and outcomes of stewardship and investment to them

As stated above, Victory Hill is a specialist investment firm targeting direct investment in global energy infrastructure that supports SDGs, with the purpose of facilitating and accelerating an orderly energy transition to a net zero carbon future. Victory Hill makes such investments available to professional investors through its funds. The Firm invests in energy infrastructure assets globally. Due to the long-term nature of these infrastructure assets, the Firm's investment time horizon for ENRG is medium to long-term, with some assets having a life span of over 25 years.

Victory Hill recognises that its funds' investors invest, in part, due to the sustainability objective of the Fund, and therefore transparency on investments and their impact is imperative. Victory Hill discloses to fund investors the due diligence on ESG factors and the impact data from the investments. More recently as required under the FCA SDR regulation. Projects are aligned with investment policy and strategy to ensure they deliver on the statements made to investors.

Figure 14: Investment locations

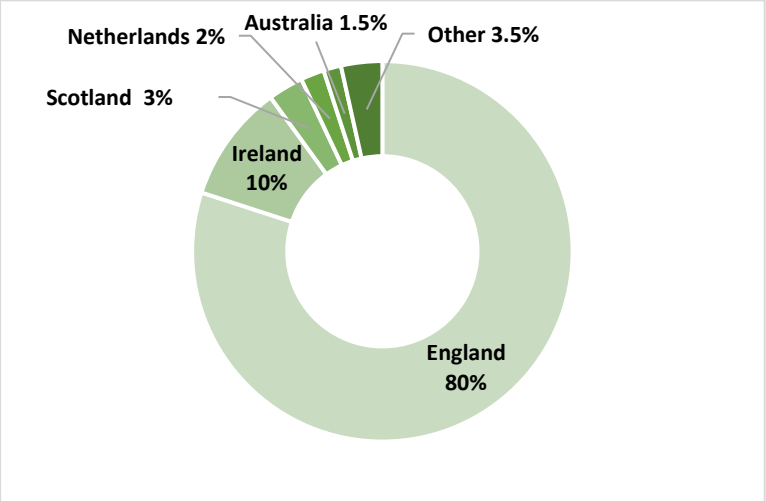
Victory Hill's sustainability policy outlines how the Firm's responsibilities are discharged to create a positive impact creating sustainability value beyond commercial objectives. It recognises that investments and management decisions impact the funds and investors clients, the asset end-users and the communities in which those assets are located.

The Firm recognises that delivering success over the long-term requires not only identification of clear market opportunities but also investment in stakeholder relationships and alignment of objectives. As part of Victory Hill's stewardship approach, a clear line of sight from the corporate to the project level is implemented.

Victory Hill has a dedicated investor relations team which engages regularly with ENRG investors directly through face-to-face meetings and calls, and through answering requested due diligence questionnaires annually – many focussed on ESG practices. Through these engagements the Firm is continuously assessing clients' needs to address them accordingly.

ENRG is an article 9 fund under SFDR and has adopted the sustainability impact label under FCA SDR, many of the investors expect these labels and the associated disclosures. Victory Hill also provides quarterly factsheets, semi-annual reports and annual reports or ENRG.

Figure 15: ENRG Client Base by Geography



Feedback from investors on these disclosures and reporting from investors has been positive commenting on the high level of transparency compared to peers and the detail provided to support decision making.

Activity & Outcomes

A comprehensive ESG section was included in the ENRG annual report covering activities and outcomes of the investments. An ESG section is also included in the Fund interim report. Investor meetings are held biannually to present these results and fund performance including stewardship activities and impact data after report release. Ad hoc investor meetings are also held during the year, both in person and virtually, to promote and discuss the Fund which includes its sustainability objective and performance. The Firm also provides quarterly factsheets as well as the biannual and annual reports to provide information to up to date and relevant information.

During the year in review there were 180 meetings held by the investor relations team with investors both in person and remotely. Investors also had several interactions with ENRG Board

during 2024 which was commented on positively. Feeback this year has focussed on the team's industry knowledge and transparency of disclosures.

In addition, the Firm responded to due diligence questions from investors on ESG policies and processes and material risks. These questionnaires have been focussed on specific ESG themes such as reporting under the TCFD or the EU Sustainable Finance Disclosure Regulation ("SFDR").

The Firm also reported under SFDR article 9 annexes which are available on the Fund website, reported to CDP, Global Compact communication on progress, and to UNPRI. Key ESG metrics shared with investors are provided below. Metrics annotated with a ‡ symbol have been independently assured through a limited assurance engagement conducted in accordance with the International Standard on Assurance 3000 (ISAE 3000) and International Standard on Assurance 3410 "Assurance engagements on greenhouse gas statements" (ISAE 3410).

Figure 16: TCFD carbon footprint and exposure metrics[3]

TCFD carbon footprinting and exposure metrics[8, 9]	Unit	2022	2023	2024
Portfolio's exposure to carbon-intensive companies, expressed in tonnes CO2e/$M revenue	t CO_2e/$M	65	42	60‡
The absolute greenhouse gas emissions associated with a portfolio, expressed in tonnes CO2e	t CO_2e	3,636	3,199	3,513‡
Total carbon emissions for a portfolio normalized by the market value of the portfolio, expressed in tonnes CO2e/$M invested	t CO_2e/$M	6	5	7‡
Volume of carbon emissions by million dollar of revenues	t CO_2e/$M	273	192	307‡

Figure 17: ENRG environmental performance metrics for 2024

Environmental metrics (strategic impact)	Unit	2024	2023 (Grid)	2023 (OM[6])
Renewable energy generated	MWh	856,666‡	844,434	
Renewable energy generated (solar only)	MWh	76,124‡	62,952	
Nitrous Oxides (NOx) avoided	Tonnes	2,226‡	1,921	
Sulfur Oxides (SOx) avoided	Tonnes	22,402‡	19,332	
Particulate Matter (PM) 10 avoided	Tonnes	1,140‡	984	
Particulate Matter (PM) 2.5 avoided	Tonnes	837‡	722	
Emissions avoided (solar only)	Tonnes CO_2e	40,827‡	17,663	30,730
Emissions avoided	Tonnes CO_2e	262,501‡	122,530	252,671

Pollutant emission 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 calculated avoided NOx, SOx and PM emissions, using 'Heavy Fuel Oil' as the base fuel for HSFO and emissions through 'Diesel Large SUV Euro 6' as the based fuel for ULSD.

Environmental metrics (operational impact)	Units	2024	2023
Water use including consumed	Cubic Meters	28,716‡	24,274
Water quality	WQI	Good‡	Good
Waste produced	Tonnes	37‡	75
Renewable energy consumed	MWh	7,393‡	8,172
Renewable energy certificates	MWh	1,161	-

[3] Carbon footprinting and exposure metrics for the portfolio operating assets were calculated using formula recommended by the TCFD for asset owners and asset managers published in 'Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures,' June 2017, section D supplemental guidance for the financial sector.

Figure 18: ENRG social performance metrics 2024

Employee metrics		Units	2024	2023
Total number of operating asset employees	FTE	#	68.5‡	58
Gender Diversity	Male	%	97%‡	98%
	Female	%	3%‡	2%
	Other	%	0%	0%
Employee turnover	%	%	35%‡	14%
Total number of asset employees all*	FTE	#	71.5	58
Total number of operator partner employees	FTE	#	197.5	-

* Employee numbers include construction assets or operating partners with assets in development.

Health and Safety metrics	Unit	2024	2023
Total recordable injuries	#	2‡	0
Total number of incidents	#	2	4

The assets do not employ site workers, however the operating partner does. The social data reported and assured includes operating partner contracted workers who interact with site operations and work directly on site. This is reported as full time equivalent ("FTE") for the financial year 2024. This excludes temporary workers and managerial employees working elsewhere not involved in day-to-day operations.

Operations: policy and procedures	Unit	2024
Operating partners with H&S safety policy	%	100%
ISO 45001 certified	%	40%
Environmental management policy and system	%	100%
ISO 14001 certified	%	40%
ILO aligned employee handbook	%	60%
Supplier code of conduct or equivalent	%	80%
Non compliance with environmental regulations	£	0
No of grievances received	#	2

PRINCIPLE 7

Systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil responsibilities

Victory Hill's approach to managing the Fund's energy infrastructure assets is focussed on meeting the Sustainability Objective, driving continuous improvement and creating sustainable value and impact. To meet this objective ENRG's investments must fall into a category in the fund's Investment Universe. These investment categories are selected because they support the energy transition and combat climate change and air pollution

ENRG intends to hold investments until the end of asset life, typically over 25 years depending on technology and asset type. As such, ENRG takes a long-term and lifecycle view of asset management.

Victory Hill's asset management activities are focussed on both value preservation and long-term sustainable value creation and optimisation, reflecting investors' long-term investment horizon. Responsible investment practices and comprehensive consideration of ESG factors at all stages of the investment life cycle are important aspects of this long-term approach. ESG issues present opportunities as well as risks and are therefore integrated into both value preservation and value creation initiatives

ENRG's asset programmes are managed by third party operators through an operating agreement which includes requirements for meeting fund sustainability criteria and drive impact. Specific actions can include enhancing corporate governance and improving environmental performance of its operator partners through direct engagement, and, if required, implementing escalation measures.

Victory Hill's sustainability policy sets the Firm's values and goals in terms of ESG and sustainability criteria. It details the Firm's commitments including to *"continue to incorporate sustainability into investment decision making and on-going management of assets."* In addition, the Fund investment strategy focus on SDG alignment and the energy transition means that identification of ESG issues is inherently included in investment processes, and all investments are sustainability impact orientated.

To support implementation of these commitments and meet the sustainability investment objective, Victory Hill maintains a comprehensive management system. The ESG risk identification and management system (figure 19) integrates sustainability into each stage of the investment process through identifying material opportunities, risks, and impacts.

There is a wide range of potential ESG issues which can impact infrastructure investments. Relevant issues will vary from asset to asset depending on variables including the size and type of asset and its geographic location. As a result, the Firm believes that it is not effective to take a 'one-size-fits-all' checklist approach to identifying, assessing, managing, and monitoring material ESG risks and that each process must be tailored to each asset. This is also true more broadly for the investment process in determining energy transition projects that best meet the needs of that geography, market demands and country's climate action plans.

Methodology

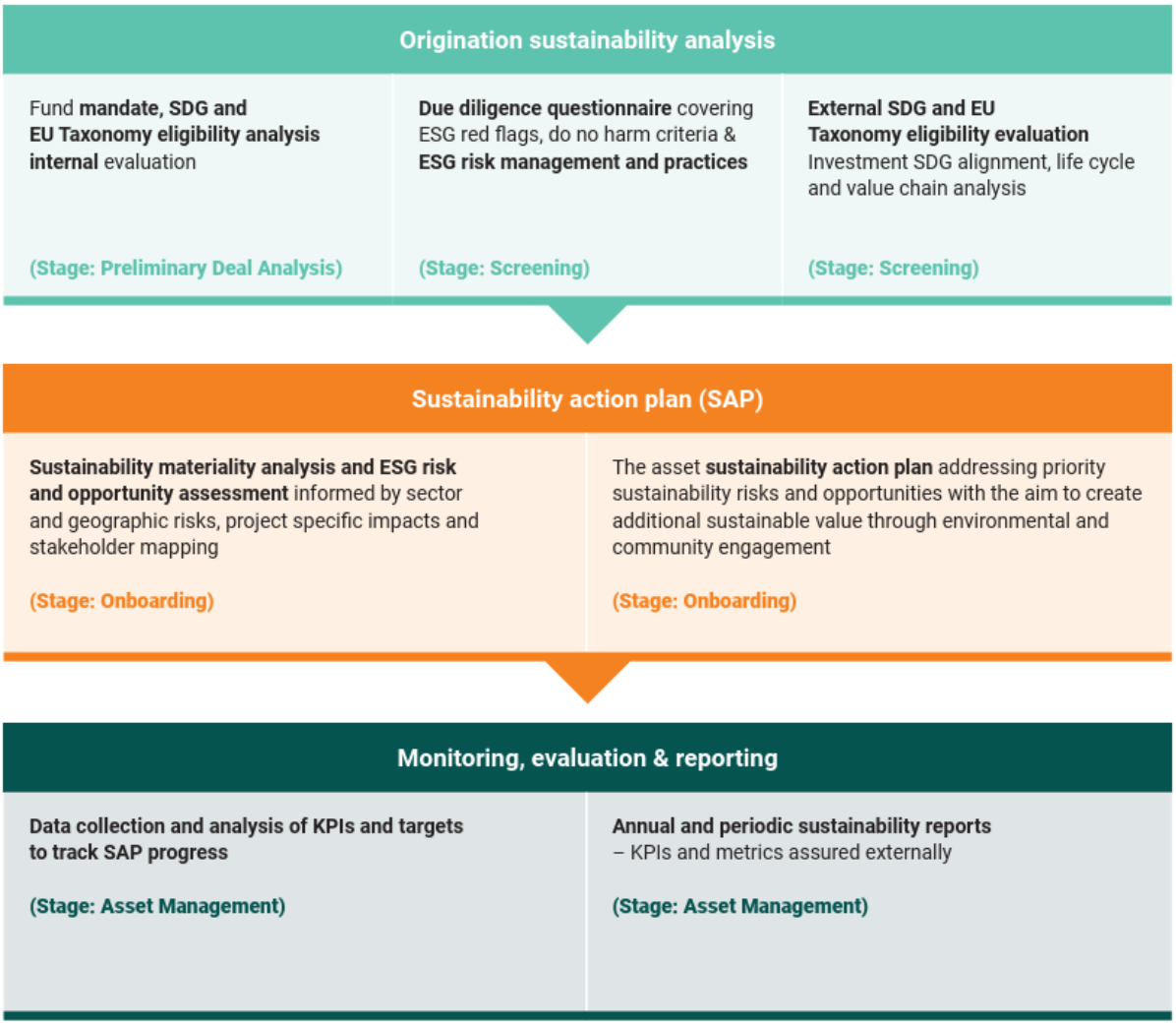
An independent third-party assessment of whether harm is caused to non-core SDGs is implemented. This assessment forms part of due diligence and helps determine the eligibility of an investment candidate. Key performance indicators under core SDGs are also assessed and scored to inform investment decisions.

Risks and impacts identified at the investment stage and through independent assurance are fed into an asset level materiality assessment which is informed by engagement with operating partners, local regulations, external frameworks, and benchmarks, as well as local impact assessments and stakeholder engagement where applicable.

Where ESG risks are identified, the relevant mitigation measures to be implemented post-investment are documented as part of the programme specific sustainability action plan. This may include policy, processes, or project plans to address ESG risks, opportunities and impacts.

ESG aspects are monitored on all projects throughout the ownership period. This includes active management through project company board representation, an annual ESG questionnaire and monthly data package shared by operating partners and investee companies with Victory Hill, to support ongoing portfolio management. These processes allow the Firm to assess the outcomes of stewardship activities.

Figure 19: Sustainability and ESG risk analysis and management process



Investment strategy: All investments are sustainability focused. Energy infrastructure investments must align with the SDGs and accelerate the energy transition towards a net zero carbon world and follow the four investment pathways.

SDG analysis: Investments must pass sustainability eligibility criteria – part of project due diligence. An external assurance firm assesses the investment against the SDGs.

Materiality analysis: The International Finance Corporation performance standards, the Global ESG Benchmark for Real Assets and the Sustainability Accounting Standards Board, have identified material energy sector and infrastructure risks and impacts. The Firm assesses each investment against these specific risks and impacts, as well as regional and geographic risks to identify the environmental, social and governance (ESG) issues most relevant for the investment.

Risk assessment: Material and systemic issues are assessed to prioritize ESG risks and impacts related to:

- The sector of operation.
- The region and country of operation such as those identified by Transparency International, Freedom House, country climate pledges, Global Slavery Index, and International Labour Organization ("ILO") Labour Rights.
- The operational proximity to local communities, indigenous peoples, cultural heritage, and ecological and biodiversity habitats.
- The operational activities such as noise, light, water use, discharge, and waste.
- The stakeholders interacting with the operation including employees, contractors, and customers.
- The operating partner company resourcing and policies for ESG management.

The asset is risk assessed on this basis, accounting for the probability of impacts and the quality of controls that operator has in place.

Action planning: Taking a Global Compact principles-based approach gaps in management practices and opportunities for improvement are identified. Actions to manage and mitigate impacts, implement changes, and close gaps are included in an asset specific SAP Operating partners will be self-assessed and audited by priority to assess strength of management practices.

Monitoring: Key performance indicators are reported by the asset monthly to track progress against impact management and the action plan, and to identify requirements for intervention. Performance targets are set on key metrics to support this effort and drive continuous environmental and social improvement at the asset level.

The external SDG analysis, materiality and risk assessments ensures action plans and monitoring are tailored to each geography and asset type.

An example of how Victory Hill uses its processes and expects its investment activities and ENRG's assets to contribute to achieving a positive environmental impact aligned with its sustainable investment objective is provided in the case study below.

Case Study: ***Investment in portfolio of hybridised solar PV sites and battery energy storage system ("BESS") sites in Australia***

ENRG has made strategic investments across seven solar PV sites in Australia, executed in multiple tranches:

- Two operational sites, with BESS deployed at one site post-investment (2021/22).

- Three solar PV sites were constructed and then hybridised with BESS once operational (2023/24).
- Two ready-to-build solar PV sites with integrated BESS, set for completion in 2025.

These solar PV sites with BESS are within ENRG's Investment Universe, encompassing renewable power generation and energy storage technologies, designed to accelerate the transition towards a low-carbon economy and reduce GHG emissions. The hybrid nature of this investment—solar PV combined with battery storage—addresses the key challenges of renewable energy intermittency and helps align power supply with fluctuating demand.

Sustainability Objective

The Australian portfolio fits directly within ENRG's Investment Universe, which includes:

- Renewable power generation assets such as solar energy technologies.
- Energy storage infrastructure such as battery storage systems, which support the integration of renewable energy by providing backup power and stabilising the grid.
- Distributed energy sources that generate power closer to where it is consumed, reducing the need for extensive grid infrastructure and improving overall energy efficiency.

Sustainability impact

The investment in distributed solar PV with BESS contributes to reduced air emissions in several ways:

1. Solar PV generates low emissions, electricity-reducing GHG emissions by displacing more expensive and polluting fossil-fuel-based electricity generation at the operating margin, and reducing reliance on carbon-intensive energy production
2. Solar PV generates electricity during daylight hours, but power demand often peaks in the evening when the sun is not shining. By integrating battery storage, excess electricity generated during the day can be stored and released when demand is higher (typically during evening peak periods), addressing the intermittency challenge and displacing more emitting conventional power sources.
3. Batteries enable a temporal shift in electricity supply, allowing solar energy to meet peak demand that would otherwise be supplied by carbon-intensive sources like coal-fired power plants. This shift reduces the reliance on fossil fuels, particularly in coal-heavy states like Queensland and New South Wales.

Investment stewardship

Active management of investments is key to ensuring the operational efficiency and maximising the emissions reduction potential of the portfolio. The following strategies are implemented through Victory Hill's ongoing discussion and monitoring of contractual arrangements with the asset operators:

1. Power Generation and Export Tracking:
    - Each solar PV site is equipped with monitoring systems that track power generation, battery storage levels, and the amount of electricity exported to the grid. This real-time data allows operators to ensure that solar energy is stored when generation exceeds local demand and released during periods of high demand.
    - By aligning electricity export with peak demand periods, the portfolio maximises the displacement of coal-based generation, thereby optimising emission reduction.

2. Optimising Battery Usage:
    - Batteries are strategically charged during low-demand periods (midday when solar generation is high) and discharged during high-demand periods (evenings and early

mornings). This maximises the economic and environmental benefits by reducing the reliance on fossil fuel generation at peak times.
- Proper management of the battery systems extends their lifespan and ensures they contribute effectively to both grid stability and emissions reduction.

3. Environmental management:
   - Operations and maintenance activities, which include routine equipment testing, predictive maintenance, vegetation control and landscaping, firebreak installation and maintenance, panel cleaning, flood management, weather monitoring, thermal management, operational and emergency response and preparedness planning, all contribute to protecting the portfolio and ensuring high availability and performance of the assets and therefore optimal renewable generation by the assets and emission reduction.

Key Performance Indicators

The MWh of renewable energy generated by the solar PV projects and exported to the grid displaces electricity generation from more pollutive sources. The emissions avoided by this displacement can be calculated at the operating margin, which reflects the emissions reduction achieved by replacing the marginal generation source—often coal—with cleaner solar and stored energy. The avoided emissions are quantified based on the amount of electricity exported to the grid and the carbon intensity of the coal-fired power plants that would otherwise be generating power at those times (PCAF Standard).

By supplying clean, renewable energy combined with battery storage, the portfolio contributes to grid stability and increases the penetration of renewable energy in Australia's energy mix. This investment supports Australia's broader goals of reducing reliance on coal and lowering national GHG emissions.

Activity & Outcomes

Aligned with Victory Hill's investment policy and analysis, in 2024 the Firm investment activities to achieve sustainability objectives included:

- Agreement to acquire and build two new fully permitted solar PV sites with co-located BESS in NSW
- The completion of the construction and commissioning of three solar and storage hybrid systems (BESS) in New South Wales Australia.
- Successful completion of a series of hot commissioning tests of the four Rolls Royce 16V engines of the UK flexible power with CCR programme
- The construction of three of the remaining six Brazilian solar PV sites (to be completed in early 2025).
- Acquisition of a portfolio of solar and wind assets across Spain, Portugal and Sweden
- Successful certification of the Brazilian hydro facility operations under the IHA sustainability standard gaining the Gold level award.

As of 31 December 2024, the portfolio spans 34 assets in six technologies across seven countries – USA, UK, Australia, Sweden, Portugal, Spain and Brazil. Technologies include liquid storage, solar PV, solar PV with battery storage, wind, hydro and flexible power with carbon capture and reuse.

If a project does not align with the Firm's investment strategy or is found to do significant harm to the other SDGs, then the Firm does not invest. Several opportunities were not pursued in 2024 that did not meet the Firm sustainability criteria most notable was a plan to expand one of the existing ENRG assets.

The table below highlights the indicators and data calculated to demonstrate sustainability outcomes of investments determined by the different ESG risks, impacts, and opportunities.

Figure 20: ENRG core sustainability indicators

Indicator	Explanation
Return on embodied carbon through renewable and net zero energy generation (tCO2e)	This is calculated using the embodied carbon identified through a life cycle analysis of the asset as a baseline. Actual or predicted carbon avoided through energy generation is subtracted annually.
MWh of renewable and low carbon energy produced	The figure represents the renewable and low carbon electricity generation which displaces carbon intensive generation demonstrating contribution to SDG 13.
Carbon dioxide equivalent avoided (tCO2e)	This figure accounts for renewable energy generation and renewable fuels use displacing fossil fuel generation.
Tonnes of nitrous oxide (NOx) avoided	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. Demonstrating contribution to SDG 3.
Tonnes of particulate matter (PM10) avoided	
Tonnes of sulfur oxides (SOx) avoided	

The table below demonstrated impact investments had during the year in review meeting expectations and comparatively to year previously.

Figure 21: ENRG sustainability indicator performance

Indicator	2023 Portfolio Performance	2024 Portfolio Performance
MWh of clean energy generated	844,434	856,666
Tonnes of CO_2e avoided	252,671	262,501
Embodied emissions pay back	3 years	3 years
Tonnes of pollutive compounds avoided	Sox: 19,332 PM2.5&10:1,706 NOX: 1,921	Sox: 22,402 PM2.5&10: 1,977 NOX: 2,226

Figure 22: Portfolio carbon footprint

	2024		2023	
GHG emission	**Emissions**	**% Total**	**Emissions**	**% Total**
Scope 1				
Subtotal	2,985‡	6.00%	3,271	10.00%
Mobile combustion – owned fleet	82‡	0.20%	50	0.20%
Stationary combustion (natural gas, diesel, propane)	2,903‡	6.00%	3,220	10.00%
Fugitive emissions	0	0%	0.52	0.002%
Scope 2				
Subtotal	1,119‡	2.00%	518	1.60%
Purchased and used electricity	1,119‡	2.00%	518	1.60%
Scope 3				
Subtotal	44,960‡	92.00%	29,013	88.00%
Category 1: Purchased goods and services	4‡	0.01%	4	0.0%
Category 3: Fuel- and energy-related activities	864‡	2.00%	739	2.00%
Category 4: Upstream transport and distribution	7,938‡	16.00%	6,853	21.00%
Category 5: Waste	14‡	0.03%	3.00	0.01%
Category 7: Employee commuting	16‡	0.03%	19	0.06%
Category 9: Downstream transport and distribution	36,123‡	74.00%	21,395	65.00%
Total emissions	**49,064**		**32,802**	

Figure 23: Portfolio energy use and GHG emissions

	Energy use (MWh)		GHG emissions (tonnes CO_2e)	
Year	**Energy 2024**	**Energy 2023**	**GHG 2024**	**GHG 2023**
Scope 1	16,453‡	17,905	2,985‡	3,271
Scope 2 (location)	4,656‡	1,783	1,119‡	518
Scope 2 (market) – on-site generation	7,393‡	8,172	-	-
Total Scope 1 & 2	**28,502**	27,860	**4,105**	3,789
Scope 3	-	-	44,960‡	29,013
Total (all scopes)	**28,502**	27,860	**49,064**	32,802
GHG emissions avoided (solar only)	-	-	40,827	17,663
GHG emissions avoided (location based)	-	-		122,530
GHG emissions avoided (operating margin based)	-	-	**262,501‡**	252,671[5]

The portfolio has a science-based target calculated under the requirements of the net zero asset managers initiative (NZAMI) which was published in 2023 on the NZAMI website and shown below. Performance against this target (baseline 2023) will be disclosed.

The target covers 100% of the portfolio including assets under construction. The target will be recalculated replacing estimated emission data with actual once the construction assets are operational. The underlying science-based net zero pathway from which the targets are derived is the Sectoral Decarbonisation approach methodology and largely based on 'Power' sector for most of the assets. This requires a 65% reduction within a maximum 10-year time frame of Scope 1 and 2 emissions as the near-term target which includes Scope 3 emissions. The long-term target will

see emissions. An external adviser has developed a road map towards 2050 with the target and actions for the underlying assets included in the asset specific SAP.

Figure 24: Portfolio science-based target

Methodology	Year	Target
Science Based Target initiative for Financial Institutions: Sectoral Decarbonisation approach	Baseline 2023	0.0710229 tonnes CO_2e / MWh
	Near term 2030	0.0260654 tonnes CO_2e / MWh
	Long term 2050	0.0035511 tonnes CO_2e / MWh

The Firm takes a life cycle approach to understand carbon impact and footprint of each of the renewable power generation investments and the future carbon capture project. As previously reported a life cycle assessment (LCA) is completed of embodied emissions for all the energy generation assets in the portfolio. This data was first published in the 2021 report.

The avoided emissions calculations within the LCA take into account local factors such as carbon intensity of the energy type being replaced at a local level and local irradiance levels. The expected decarbonisation of traditional baseload energy supply aligned with country commitments towards net zero by 2050 was also factored in.

The Company is tracking progress on carbon emission "payback" as calculated in the LCA, considering the estimated and actual energy generation and associated avoided emission calculations the 'payback' period for the assets. The clean electricity generated is starting to payback that emitted and estimated in their lifetime. The Brazilian hydro facility was commissioned in 1974 and has a short 'payback' period for its embodied emissions which means the facility is notionally providing zero emission electricity into the grid.

Figure 25: ENRG carbon life cycle analysis for energy generation

	Units	Australia	Brazil (Hydro)	Brazil (Solar)	UK	Iberian and Swedish assets	Portfolio
Life time embodied emissions	tonnes CO_2e	132,871	175,382	114,276	1,321	12,370	**436,220**
Life time operational emissions	tonnes CO_2e	6,561	1,866	12,868	93,210	130	**236,823**
Total life cycle emissions	tonnes CO_2e	141,308	177,248	127,144	94,531	12,501	**675,385**
Life time emissions avoided	tonnes CO_2e	496,344	8,980,587	69,905	152,027	31,351	**9,730,213**
Average emissions avoided per annum	tonnes CO_2e	25,506	91,578	7,882	9,862	1,254	**133,894**
Emissions payback	years	5.54	1.9	16.1	9.6	10.0	**5.0**
Emissions avoided since acquisition	tonnes CO_2e	48,995	155,914	10,058	In construction	no data in 2024	**214,955**
Remaining emissions	tonnes CO_2e	92,312	Complete	117,085			**460,430**
Remaining payback	Years	3.6	Complete	14.9	-		**3.4**

The Firm continued to actively monitor and engage with investments. Other environmental and social performance data is provided in this report in figures 15,16,17,20, 21 and 22.

Figure 26: Victory Hill GHG emissions (tonnes CO_2e)

	2023	2024
Scope 2	2.6	2.5
Scope 3	161	378

The Firm also tracked its own carbon footprint from energy use in the leased London office, employee business travel, commuting and third party data/software use.

Most emissions originate from employee travel to investment locations for audit and board meeting purposes. In 2022 and 2023 emissions were offset through investment in carbon avoidance and removal projects through the company, Ecologi. The projects included forest protection activities in South America and carbon removal through reforestation in Brazil. These projects are science based and verified by carbon certification bodies including Verra, VCS and Gold standard with proof of credit retirement publicly available. Victory Hill is committed to offset emissions it cannot currently reduce directly through offset and will make similar investments in to cover 2024 emissions.

PRINCIPLE 8

Monitor and hold to account managers and/or service providers

The Firm considers that effective governance is key to long-term value creation. The governance structure for the Firm described in Principle 2 is an example of this.

Victory Hill appoints directors to the boards of project operating partner companies who have an active role in monitoring the performance of each asset and any contracted service provider. The Firm promotes an open and collaborative environment to ensure the soundness of the decision-making process and conduct a systemic annual assessment of each operating partner's sustainability performance.

To ensure alignment with Victory Hill's values and strategies, all fund assets are required to have equivalent to Victory Hill's key policies as outlined in Principle 5. Operating partners are also given objectives and targets that are aligned with Victory Hill's overall corporate policies.

Victory Hill takes a hands-on approach to monitoring the performance of the funds' operating partners as part of ongoing asset management practices, with biweekly interaction being the norm for assets in the portfolio. Victory Hill will revisit relationships with service providers if they fail to meet ESG expectations.

Activity & Outcomes

In 2024 the Victory Hill partners, and asset management team conducted several active visits and face-to-face engagement with partners this included several site visits to the flexible power and carbon capture construction site in the UK, terminal storage assets in the USA, solar PV and battery storage sites in Australia, solar PV sites in Brazil and the hydro facility in Brazil. There were also several site visits before and after the acquisition of the Iberian and Swedish wind and solar portfolio as part of due diligence process, including the operator offices in Madrid.

Site and country visits included in person board meetings with the asset operating partners. Weekly meetings and quarterly board meetings were maintained throughout the year. In addition, the Firm collects monthly ESG data covering material issues from operating partners such as energy use, emissions, water, waste employee diversity, job creation, health and safety, supply chain engagement to keep track of performance and identify potential anomalies and problems. Performance data for material issues is reported on a six-monthly basis to investors (or as requested) and was independently assured at the end of 2024 through a limited assurance engagement.

Risks in the supply chain are mitigated by selecting reputable suppliers, requesting prequalification due diligence questionnaires, and using appropriate contract language in service and supplier contracts. For potentially high-risk suppliers, for example PV panel manufacturers operating in China, Victory Hill engaged with operators and suppliers to understand any exposure to human rights issues, such as child labour. In 2024 the Australian portfolio operating partner conducted enhanced due diligence into the solar PV supply chain for three construction assets to identify and mitigate risk of labour rights abuses, this included receiving provenance data of components for the construction assets.

Engagement

PRINCIPLE 9

Engage with issuers to maintain or enhance the value of assets

Through the appointment of senior firm asset management professionals and their representation on the boards of project companies, Victory Hill can 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 with clients, service provider's and fund investors to coordinate approaches and align views to maximise the performance of assets under management. This includes, as previously explained, the adoption of ESG policies and development of sustainability action plan (SAP) to ensure any risks, impact, opportunities are acted upon, and process gaps closed.

The Fund's investment strategy includes alignment with SDG 17 'Partnership for the Goals' recognising that the SDGs can only be met if all stakeholders work together to mobilise financial resources globally. This is the Fund's approach to investment. The values of honesty and integrity, transparency and partnership are integral to stakeholder engagements.

Applying a value chain view to investment impacts on the Fund's stakeholders is an essential element of Victory Hill's ESG risk identification and management process. ESG opportunities, risks, and impacts on both the assets and from asset activities on stakeholders are in scope.
The Firm's client relationship management tool is also used by the business to ensure stakeholder engagement activities are recorded so that the business can measure the level of engagement.

We have also met with individual investors to discuss performance and strategy of different assets when applicable and requested.

Activity & Outcomes

Investments are made following external due diligence by a third party on alignment with the SDGs. This analysis and subsequent engagement with operating partners and service providers determine sustainable action plans (SAP) for each asset aligned with risks, impacts, and opportunities. This process was completed during the acquisition of the Iberian and Swedish solar and wind portfolio. SAPs for 2024 were also renewed for the other investment programmes through engagement with the operating partners.

Key performance indicators and the requisite focus on sustainable value creation are communicated to operating partners through contractual requirements and instructed in the asset agreed SAP. The SAP is based on the external SDG assessment, due diligence, and materiality analysis.

Strengthening operating partners' governance frameworks, implementing management systems including local stakeholder engagement, and enhancing data reporting processes are core actions in the SAPs.

Through engagement with potential partners and associated due diligence as described, the investment team has rejected opportunities that did not meet requirements for assets and commitment to investors to meet the sustainable investment objective.

Examples of successful engagement through the sustainable action plan process in 2024:

Case study: Enhancing operations and community engagement in the Brazilian distributed solar portfolio

Victory Hill works with its operating partners to build capacity on sustainability and ESG topics and provides guidance on environmental and social aspects of operations. This collaboration supported the Brazilian Solar PV operating partner, in its efforts to improve ESG practices.

Strengthening health and safety practices

In collaboration with Victory Hill, the operating partner has prioritised health and safety across all sites with key initiatives including:

- Policy and procedures: updating the health and safety manual to reflect best practices.
- Training programs: implementing training sessions for O&M specialists focusing on best practices, emergency procedures and hazard recognition.
- Distribution of personal protective equipment (PPE): ensuring all team members are equipped with the necessary PPE to perform their duties safely.
- Site risk analysis: conducting in-depth risk assessments for each site with expert external support to identify potential hazards and implement corrective measures.

Addressing transportation risks

Transportation between sites has been identified as a key safety risk due to the significant distances involved. In the first half of the year, two traffic related incidents, fortunately resulting in no serious injuries, prompted a thorough review of transportation practices. Evaluation of current practices led to the development of more stringent transportation protocols, including:

- Appropriate vehicles: Ensuring that all vehicles used are company-provided and suitable for the terrain and conditions of the routes between sites.
- Employee awareness: Reinforcing transportation procedures through training and communication, emphasising the use of company-provided vehicles only.
- Vehicle maintenance: Regular maintenance schedules to keep the fleet in optimal condition, ensuring safety and reliability.

The operator provides transportation for all site-based teams and stipulates only company-owned vehicles can be used during working hours. This policy not only enhances safety but also ensures that vehicle maintenance is consistent and up to date.

Employee and community engagement

In addition to focusing on internal operations, the operator has taken significant steps to improve its engagement with local communities:

- Improved signage: Installation of clear, visible signage around all sites, highlighting potential dangers and providing contact details for the site operator.
- Community outreach: Active engagement with local businesses and residents to raise awareness of the sites and their benefits.
- Stakeholder engagement plan: Using an Investment Manager provided tool and guidance, the operators initiated interviews with local community members to gather feedback on the

impact of the sites. Key themes included better signage, recruitment opportunities, and infrastructure improvements such as roads, drainage and access to renewable energy.

Outcomes and plans

The operator's proactive approach has enhanced local safety culture, improved employee engagement and started to create stronger community relationships through increased engagement and responsiveness to community feedback.

The programme SAP agreed between the operators and the Victory Hill identifies priorities in 2024. The operator will continue to focus on health, safety and security, transportation safety, and community engagement. The operator is committed to ongoing improvement, ensuring that its operations benefit both employees and the surrounding communities.

Victory Hill is working with the operator to set the standard for responsible and sustainable renewable energy operations.

Case study: Achieving the Hydropower Sustainability Standard – Gold

When ENRG acquired the Mascarenhas hydro facility in December 2022, Victory Hill required the operators to implement the hydropower sustainability standard as a central part of their SAP. Placing this requirement serves multiple purposes. It would provide tangible evidence that the asset is being managed responsibly, to the highest standards of environmental and social management and it would ensure the project aligned with Victory Hill's and ENRG's values and the expectations of investors and stakeholders.

The standard has helped focus efforts – building and renewing relationships with the local community and developing action plans of biodiversity improvement. The operators were given 3 years to achieve the standard and did it in two years. Mascarenhas was the second hydroelectric plant in Latin America to receive the prestigious Gold Certification. Enhancing the sustainability value of the plant.

PRINCIPLE 10

Participate in collaborative engagement to influence issuers

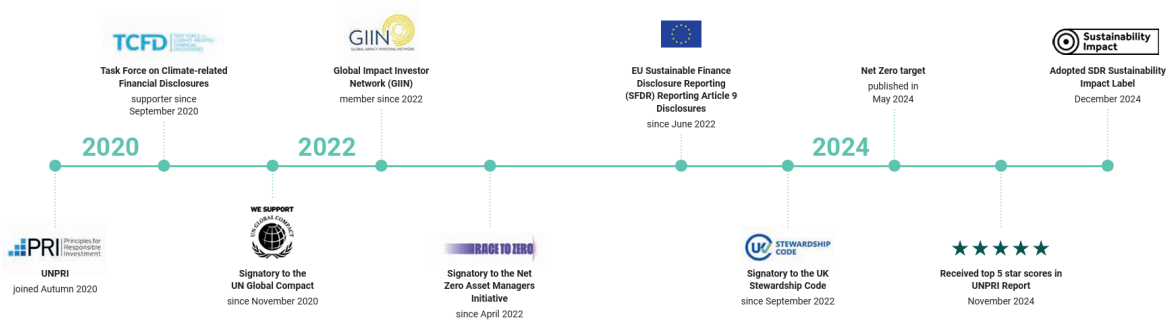
Integrity and honesty are core values of Victory Hill's business, and this is reflected in how the Firm collaborates with clients, the asset end-users, investors, operating partners, and staff.

In circumstances where Victory Hill has majority control of a project company on behalf of a client fund, this influence is used to promote good sustainability and stewardship practices. In circumstances where Victory Hill has a minority interest or where outside minority consent is required, the Firm will engage with fellow investors and other financiers to promote good practice.

ENRG holds majority ownership interests in its assets and the Firm uses this influence to engage with operating partners on asset management. For example, as described in Principle 5 operating partners are expected to have ESG commitments, policies and procedures tailored to their business activities. The Firm assists partners in developing these and identifying material issues for management. This engagement is also described in Principles 8 and 9.

Victory Hill believes collaboration with other organisations, industry peers and stakeholders is crucial to achieving sustainability aims and therefore is a signatory, supporter and member of organisations that seek to drive change through disclosure and partnership.

Figure 27: Associations and memberships



Activity & Outcomes

Victory Hill participates in collaborative engagement as signatories to UNPRI and supporters of TCFD. The Firm is also a signatory the UN Global Compact and through this and the ENRG investment strategy, supporters of the SDGs. The Firm's focus is on energy transition themes.

Victory Hill became a signatory to the UNPRI in 2021 and reported in 2023 and 2024. The Firm engages in their conferences and seminars, and takes the opportunity to work with other signatories where objectives align. The Firm engages investors and operating partners on asset performance individually. The Firm joined the global impact investors network (GIIN) in 2022 with the objective to connect and collaborate on key energy transition themes.

The Firm committed to the Net Zero Asset Manager Initiative in 2022 and published its roadmap to net zero for the ENRG fund in 2023. The asset operators have been engaged through the asset specific SAP on actions to achieve these aims. Performance is assessed annually and in 2024 the firm reported through the CDP achieving SME B rating. The highest score for SMEs.

Engagement in these initiatives has informed the scope of investment due diligence and asset management, for example the SDG analysis, principles-based approach to asset management and targets for net zero.

PRINCIPLE 11

Escalate stewardship activities to influence issuers

ENRG's sustainable energy assets are managed by third party operators, which Victory Hill monitors through the relevant operating agreements with such operators. Such operating agreements outline the relevant operator's obligations to adhere to Victory Hill's requirements and ENRG's sustainability investment objective mandate, including regular provision of ESG reports and ongoing commitment to sustainability objectives. As part of this agreement, Victory Hill engages with each asset operator on an agreed annual sustainability action plan as described above. Engagement and actions depend on the maturity of operating partners' internal governance frameworks and the stage of construction and/or operation. The purpose of this process is to ensure the Sustainability Objective is achieved.

Victory Hill has established processes to monitor the performance of each asset and its operator to ensure alignment with strategic and operational objectives, as well as escalation procedures for assets that underperform. In cases where performance deviates from expectations on the investment objectives and KPIs, the investment team of Victory Hill takes the lead on investigating the cause of underperformance. This may lead to a remediation plan for the asset with escalating actions that can range from more frequent engagement, additional capital expenditure, performance related operator penalties, operating agreement termination, to divestment of the asset.

Through its representation on the boards of fund project companies, Victory Hill can promote stewardship by ensuring that sustainability priorities are actively considered in both investment decision-making and on a continuing basis.

Engagement with operators to discuss remediation and improvements is Victory Hill's preferred action. Developing strong partnerships with operators is an important facet of the investment programme. A defined process has been developed by Victory Hill, should issues require escalation.

Escalation actions can include:

Performance monitoring and initial intervention

The Victory Hill investment team typically hosts bi-weekly and periodic calls with operating partners of each asset to discuss performance, review KPIs, and assess performance data compared to the baseline. For example, in the case of energy generation assets the baseline is often 50% of expected performance. Any sign of underperformance received from operating partner reporting and 3rd party technical advisor reports is discussed with operating partners. This is an opportunity for the Fund's operating partners to share their planned interventions and action plans to rectify any underperformance. This is an iterative process with operating partners.

Performance-Based Management Fee Adjustments (Annual Assessment)

After implementation of the remediation plan, if KPIs in respect of an asset do not improve and monthly performance assessments identify sustained underperformance over the financial year, the annual scoring of operator performance will reflect this sustained underperformance. KPI performance is assessed individually, with each level of performance (high, medium, low)

influencing the percentage of the management fee paid to the operator. A reduction or clawback is applied if thresholds are not met. This action is of relevance if the operating partner is failing to meet its contractual obligations as a means of incentivising good governance and management practices.

Termination of Operating agreement

If despite interventions, underperformance continues and results in a partial or total breach of contractual obligations under the operating agreement. In this case the operator will have failed to take reasonable steps to correct underperformance as required by the operating agreement. Failure to resolve the breach may result in the termination of the contract .

Divestment

Several scenarios may occur that could require a divestment process of the asset itself to be initiated including material risks crystallising in an investment (including environmental and social risks) that threatens the long-term viability of the investment and/or material breach of KPIs.

Activity & Outcomes

In 2024 the Firm worked with ENRG operating partners to support policy and process implementation, data collection and target setting aligned with materiality assessments. These actions were outlined in an agreed SAP. All operators' performance were assessed at the end of the year with no material breach of requirements identified requiring escalation actions to be followed beyond continual performance monitoring.

Exercising Rights and Responsibilities

PRINCIPLE 12

Actively exercise their rights and responsibilities

Victory Hill's representatives, in their capacity as directors of project companies, will actively consider the interests of fund stakeholders when voting on any resolution that is proposed. Any decision will be made after consideration of the facts. Victory Hill representatives will not actively seek to disclose the voting activity of its representatives except when required by law, due to commercial sensitivities that exist at the project company level.

To date, Victory Hill has not invested in listed companies and therefore has no voting history to disclose. However, as discussed in Principle 11, though board seat influence of project companies the Firm promotes stewardship of client's assets.

ENRG acquires a mix of controlling and non-controlling interests in sustainable energy infrastructure investments that are held within Special Purpose Entities (each, an "SPE") into which the Fund invests through equity and/or shareholder loan instruments. In certain instances, the SPE may hold one or more sustainable energy infrastructure investments of a similar type. The Fund may invest in SPEs structured as joint venture investments ("JVs") or co-investments, including through minority stakes, where this approach is the only viable approach. Where ENRG participates in a JV or a co-investment, it will seek to secure its rights through obtaining protective provisions in shareholders' agreements, joint venture agreements, co-investment agreements or other transactional documents, as well as board representation for Victory Hill, and with the aim of trying to ensure that the investment is managed in a manner that is consistent with the Fund's investment policy.

Through the above mechanisms and where Victory Hill has board representation or observer rights, the Firm actively uses these positions to advocate for improved ESG performance. Influence is also exerted through contractual obligations through operator agreements. Contractual arrangements with operating partners include ESG-linked obligations such as meeting Firm sustainability criteria. Victory hill uses its influence to ensure each investment programme develops an annual sustainability action plan, as discussed in sections above. This is agreed at the Board level and KPIs monitored on achieving these objectives. The rights as infrastructure owners through the ENRG fund are used to influence asset operating management strategy, ESG performance and governance.

Activity and outcomes
Influence on asset management has been demonstrated through actions taking by operators to fulfil requirements under annual sustainability action plans including

- the terminal storage programme achieving ISO certification in 2023 as required through the sustainability action plan to enhance health and safety and environmental management at the assets.
- the Australian and Spanish solar assets completing supply chain due diligence and obtaining provenance data on solar PV components to mitigate risk of human rights abuses in solar supply chains.

- the Brazilian hydro facility achieving the hydropower sustainability standard to enhance ESG practices at the plant and create sustainability value.
- all solar sites improving climate resilience by completing climate risk and vulnerability assessments and putting in place bushfire management plans, fire fight equipment and fire breaks as well as enhancing relationships with local firefighting organisations.