

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: **Clean H2 Equipment Fund**

Legal entity identifier: **Hy24 SAS**

## Sustainable investment objective

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

<input checked="" type="radio"/> <input checked="" type="checkbox"/> <b>Yes</b>	<input type="radio"/> <input type="checkbox"/> <b>No</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 100%</b> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics and</b> <p>while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective: ____%</b>	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent was the sustainable investment objective of this financial product met?

The Fund has a **sustainable investment objective** in the meaning of Article 9 of the Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector ("SFDR"). This sustainable investment objective is to **contribute to climate change mitigation, through investments in the clean hydrogen supply chain.**

Clean hydrogen is an **enabler for renewable energy**, allowing it to penetrate, in larger and growing quantities, sectors which, previously, would have been out of reach due to technical or financial constraints. Clean hydrogen is particularly relevant for **decarbonising energy intensive industries** such as the chemical sector, fertiliser

production, steel, and cement manufacturing, as well as heavy-duty road transport, aviation and the maritime sectors.

By investing in innovative, growth-oriented companies along the clean hydrogen value chain, the Clean H2 Equipment Fund aims to accelerate and scale-up the commercialisation of technologies, products and services which will enable the integration of **renewable and low-carbon energy, clean transportation and the decarbonisation of energy systems** through the production, transport, storage, distribution, and use of hydrogen. The Fund's investments intend to have a **significant contribution to climate change mitigation**, as reflected in Article 10 of the EU Taxonomy Regulation. As such, the Clean H2 Equipment Fund (CHEF) qualifies as an "Article 9" Fund under the SFDR.

Several economic activities targeted by the CHEF are **already embedded in the EU Taxonomy framework** such as: 3.2. *manufacture of equipment for the production and use of hydrogen* or 3.3. *manufacture of equipment and technologies for low-carbon or zero-emission mobility*, which are the main activities of the two investments made by CHEF in 2024. In this regard, Hy24 aims to align the assets of the Clean H2 Equipment Fund with the EU Taxonomy criteria for contributing to climate change mitigation. To reinforce this objective, the alignment of the portfolio with the criteria of the EU Taxonomy is integrated into Hy24's teams' collective performance assessment in annual variable remuneration.

In 2024, the Clean H2 Equipment Fund made two investments:

- **Hexagon Purus**, a Norwegian manufacturing company specialised in the production of Type-4 high pressure cylinders and systems used to store and transport hydrogen. Hexagon Purus' technologies are relevant for a wide range of applications across hydrogen infrastructure and zero-emission mobility. The company operates globally and has facilities in Norway, Germany, Canada, the United States and China.
- **H2SITE**, a Spanish manufacturing company specialised in the production of hydrogen separation technologies<sup>1</sup>. H2SITE has developed a proprietary membrane reactor technology which enables the separation of hydrogen from gas streams and easy-to-transport molecules (e.g., ammonia). Today, the company operates in Western Europe with plans to expand across North America, Asia Pacific and the rest of Europe.

These first investments have allowed the Fund to align with the Fund's sustainable objective in 2024.

### ● *How did the sustainability indicators perform?*

Hy24 started tracking its progress towards its sustainable investment objective in 2024 using the **sustainability indicators** defined for the Clean H2 Equipment Fund:

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<sup>1</sup> Hy24 finalised its investment into H2SITE on the 28<sup>th</sup> of December 2024 and the information was released to the public in January 2025: <https://www.hy24partners.com/press-releases/hydrogen-equipment-pioneer-h2-site-successfully-raises-eur-36-million-from-a-consortium-of-investors-co-led-by-hy24-and-sc-net-zero-ventures/>

Sustainability indicator	2024 Results	Explanation
<b>Hydrogen storage, transport or distribution capacity enabled</b>	Not Available	While this indicator is relevant to Hexagon Purus given its activity (e.g., manufacture of high-pressure cylinders for hydrogen storage and transport), the company does not track this indicator yet in this first year of reporting. This indicator does not apply to H2SITE given its activity.
<b>Electrolysis capacity produced or installed</b>	Not Available	H2SITE does not produce or install electrolysis capacity. Nevertheless, the production capacity of H2SITE's other technologies such as ammonia cracking, reaction reforming, reaction WGS or separation reached 0.039 MW in 2024.
<b>Hydrogen consumption capacity enabled</b>	Not Available	This indicator does not apply to Hexagon Purus and H2SITE given their activity.

In this first year of reporting, the Clean H2 Equipment Fund's horizontal indicators are not always applicable given that the fund has only two newly acquired portfolio companies which are currently developing their reporting processes. Moving forward, portfolio companies will deploy additional efforts to track these indicators to demonstrate the Clean H2 Equipment Fund's positive contribution to development of the clean hydrogen supply chain.

#### ● *...and compared to previous periods?*

Since 2024 is the first year of reporting for Hy24's Clean H2 Equipment Fund, no year-on-year evolution of sustainability indicators is presented.

#### ● *How did the sustainable investments not cause significant harm to any sustainable investment objective?*

#### *How were the indicators for adverse impacts on sustainability factor taken into account?*

**Hy24's Responsible Investment Policy<sup>2</sup>** sets the principles at the Fund level for the **integration and management of ESG into the investment process** and includes a **dedicated section on the consideration of Principal Adverse Impacts**. They are considered through a rigorous selection policy, as well as the analysis, monitoring and support of the investment portfolio using an ESG Monitoring & Reporting Framework. Impacts are assessed at pre-investment stage and monitored annually through the holding period to ensure an improvement of performance across relevant metrics. Hy24 uses PAI indicators, alongside more complex analysis, in line with the EU Taxonomy criteria to determine that its investments do not do any significant harm to any environmental objectives.

<sup>2</sup> <https://www.hy24partners.com/assets/72b7a956-cd92-4f5c-a180-b68a3d3aef79.pdf>

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

### *Mandatory and Optional PAI indicators used*

The **ESG Monitoring & Reporting Framework** developed by Hy24 includes the **PAI indicators** as referred to in the Annex I of the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022. This comprises all the indicators for adverse impacts in Table 1 (“mandatory” PAI indicators) as well as relevant indicators in Tables 2 and 3 (“optional” PAI indicators) of the Annex. Among the relevant indicators in Tables 2 and 3, Hy24 has especially selected the following indicators, based on their **materiality to the equipment sector**, as well as based on **reporting requirements from Limited Partners of the Fund**:

- Existence of a workplace accident prevention policy
- Share of investments in investee companies whose operations affect threatened species
- Rate of accidents
- Number of days lost to injuries, accidents, fatalities, or illness

### *Engagement with portfolio companies to ensure PAI monitoring*

With the inception of the Fund in 2024, Hy24 launched an engagement campaign to track the positive and negative impacts of its portfolio companies on the environment and their surroundings, as well as to answer its reporting requirements.

Considering its recent integration within the Fund, Hexagon Purus reported these indicators for the first time this year. In this process, Hy24 supported Hexagon Purus through:

- Dedicated measures were included into **new portfolio companies individual Action Plans** to guarantee their **ability to measure and report ESG indicators**, including the PAI indicators;
- The ESG team formalised an **ESG Monitoring & Reporting Framework** to provide **clarity** on the requested data;
- The ESG team **actively engaged with Hexagon Purus’ ESG team**, delivering **technical training** and **organising follow up-meeting** to assist them throughout the data collection and reporting process, as needed.

### *Performance on PAI indicators*

To date, the Clean H2 Equipment Fund has only made two investments (i.e., Hexagon Purus and H2SITE). Both portfolio companies are operational, with Hexagon Purus launching activities in 2000 and H2SITE in 2020. As the portfolio companies grow and expand their activities and new investments are added to the fund, the PAI indicators are most likely to vary in the future.

Hy24’s ESG team is progressively assessing Hexagon Purus and H2SITE’s performance on the PAI indicators, with the **aim to assist them** in reducing the adverse impacts on sustainability factors which were potentially identified. As per its **Responsible Investment Policy**, and with regards to environmental criteria, Hy24 particularly focuses on the reduction of greenhouse gas emissions, waste management, as well as energy and water consumptions, all specific to hydrogen activities and representing crucial issues for decarbonisation. When it comes to social criteria, Hy24 pays specific attention to business ethics and transparency, ensuring investees align with the UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

Based on data shared as part of the reporting on PAI indicators and additional documentation consulted by Hy24 during the engagement campaign and due diligence process, **no significant harm was done to any of the other environmental and social objectives by portfolio companies**. The full PAI disclosure following the Delegated Regulation (EU) 2019/2088 template can be found in Annex.

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

The alignment with the OECD Guidelines and the UNGPs was verified by Hy24 at several steps of the investment process, including as early as the due diligence phase, and throughout the engagement campaign. In the pre-investment stage, the alignment of portfolio companies is assessed during the **sustainability due diligence**. This includes an appraisal of the **materiality of social and governance risks**, as well as the **maturity of potential portfolio companies on these topics**.

Hy24 also requested all necessary information to confirm that portfolio companies' governance practices were sufficiently robust. In any cases where Hy24 identified a lack of procedures or documentation, corrective measures were included in portfolio companies' Action Plans.

During its engagement campaign, Hy24 then looked specifically at the way portfolio companies manage four key topics: **human rights (including labour and consumer rights), corruption and bribery, taxation, and fair competition**. Hy24's ESG Monitoring & Reporting Framework allowed not only to **(i) identify and improve existing procedures** through the individual Action Plans established in the pre-investment phase, but also to **(ii) track the outcomes of these procedures** thanks to the monitoring of ESG indicators:

(i) When it comes to the topic of human rights, a focus was given to **the identification of internal procedures and policies in place** to ensure that portfolio companies **do not generate adverse impacts on human rights, including labour and consumer rights**.

Hy24 pays particular attention to the following aspects:

- The execution of **risks assessments** to ensure that potential adverse impacts are identified.
- The **formalisation of policies** to address the potential adverse impact identified.
- The **implementation of adequate procedures** to ensure such adverse impact are prevented and mitigated, and the portfolio companies **actively monitor the effectiveness of their policy** commitment over time.

(ii) Hy24 **tracked the outcomes of these processes through the ESG Monitoring & Reporting Framework**, which allowed it to **confirm that no violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights occurred in 2024**. This included the verification of court cases and breaches on the law on corruption, taxation, and fair competition, as well as any incident and complaints on any social, labour, gender-based violence, sexual exploitation and abuse, health and safety, security, reprisals or environmental incident, accident, or circumstance.

In 2024, H2SITE demonstrated alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as it

implemented due diligence mechanisms to identify, prevent and mitigate negative impacts on human rights within its operations and its supply chain. Hexagon Purus demonstrated a partial alignment to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The company is in the process of amending its pre-existing policies and measures to fully align with OECD Guidelines and UNGPs in 2025. As part of this process, Hexagon Purus has already performed risk assessments and will deploy measures to mitigate risks.

#### How did this financial product consider principal adverse impacts on sustainability factors?



Hy24's investment procedures ensure that focus on **ESG considerations is maintained throughout the entire lifecycle** of the Clean H2 Equipment Fund. This means that principal adverse impacts of investments on sustainability factors are consistently monitored starting in the pre-investment phase and throughout the holding period. The key features of this approach applied in 2024 are the following:

- I. **Preliminary screening:** As Hy24 refrains from investing in activities that are not in line with its sustainability objectives during the pre-investment stage, it conducts a preliminary screening to **ensure that the opportunity is aligned with the Fund's sectoral targets and strategic purpose.**
- II. **Sustainability (ESG) due diligence:** In 2022, Hy24 had engaged in the **development of its own approach** to sustainability due diligence, with the goal of **integrating sustainability and policy aspects in its analysis of investment opportunities.** The approach of the sustainability due diligences selected by Hy24 is one that **merges sustainable finance requirements**, specifically those of the SFDR and EU Taxonomy, with **ESG materiality analysis.** In 2024, the due diligences conducted included **detailed ESG analyses in accordance with Hy24's Responsible Investment Policy.** When the analysis of the DNSH and minimum social safeguards criteria showed some gaps with the regulatory requirements, in particular those of the EU Taxonomy (e.g., gaps associated with lack of sufficient documentation and/or formalisation of adequate corporate practices). The ESG Action plans ensure, *inter alia*, that taxonomy eligible activities of Portfolio Companies become taxonomy aligned by identifying and implementing all necessary actions to ensure alignment. As such, ESG Action Plans form an integral part of portfolio companies' CapEx Plans to expand or develop taxonomy aligned activities. Hy24 made sure that the **management of the potential portfolio company was committed to take the necessary steps to fully comply with the criteria.** To support them in doing so, and to follow-up on progress achieved, an **individual Action Plan was drawn up for Hexagon Purus and H2SITE based on the conclusions of the sustainability due diligence.** Such Action Plan was included in the contractual documentation formalising Hy24's participation when possible or finalised shortly after the transaction.
- III. **Investment decisions and Action plans:** A summary of Hexagon Purus and H2SITE's sustainability due diligence analyses was **included in the investment memorandum submitted to the Investment Committee.** The resulting **Action Plan was attached to the agreement** signed with Hy24, with the objective to reach within a reasonable timeframe following the investment (e.g., 18 months).

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01/01/2024 to 31/12/2024

**IV. Engagement campaign throughout the holding period:** In 2024, Hy24 included its portfolio companies in its annual engagement campaign **with the goal of improving its maturity on ESG priorities, building internal capacity and assisting them to comply with the regulatory requirements of the SFDR and the EU Taxonomy.** In doing so, Hy24 ensures portfolio companies are **committed to maximising their positive impact and minimising their potential negative impact on its stakeholders and the environment.** The 2024 engagement campaign supported Hy24 in meeting its ambitions to support the sustainable development of hydrogen infrastructure. The key features of the campaign included the following:

- i. **Formalisation of the ESG Monitoring & Reporting Framework:** Hy24's ESG team has formalised a ESG Monitoring & Reporting Framework to streamline the process of collecting and analysing the data, address the potential difficulties encountered in this first reporting exercise, and improve data quality and robustness. Difficulties encountered included, for instance, the complexity associated with regulatory reporting requirements (i.e., SFDR, EU Taxonomy). This framework allows detailed monitoring of companies' compliance with the EU Taxonomy criteria, a detailed carbon reporting, in particular scope 3 reporting, and a streamlined data consolidation process. Hexagon Purus participated in a 2 hour-long Technical Training at the end of 2024 and in ad-hoc Q&A sessions to support its ESG team in completing the reporting requirements.
- ii. **Continuous dialogue with portfolio companies:** Hy24 had a proactive approach of fostering dialogue to strengthen ESG management practices and facilitate the completion of Action Plans. This materialised through regular meetings with Hexagon Purus to delve into its progress and identify any potential support required.
- iii. **Hy24 and H2Site have implemented the ESG Action Plan drawn up during the DD stage:** The implementation of the ESG Action Plan has allowed H2SITE to better demonstrate its alignment with the EU Taxonomy criteria and to ensure that it's CAPEX is channelled towards the expansion of taxonomy aligned activities. Regular meetings with H2SITE were held to monitor progress made in the deployment of the Action Plan that was created during the due diligence process to ensure alignment with the EU Taxonomy requirements. Significant strides have already been made in a short timespan (e.g., responsibility for implementing the Action Plan assigned at Top Management level, climate risk assessment, EIA, etc.) demonstrating H2SITE's strong commitment.



**What were the top investments of this financial product?**

This list includes all investments consisting of the financial product during the reference period:

Investments	Sector	% Asset <sup>3</sup>	Country
Hexagon Purus	Manufacture of equipment and technologies for hydrogen infrastructure and zero-emission mobility	74%	Norway
H2SITE	Manufacture of equipment and technologies for hydrogen infrastructure and zero-emission mobility	26%	Spain



### What was the proportion of sustainability-related investments?

In 2024, Hy24 made two investments in companies that contribute to the Clean H2 Equipment Fund's sustainable investment objective. Hexagon Purus and H2SITE are both players operating along **the clean hydrogen supply chain** and, therefore, contributing to the integration of renewable and low-carbon energy, clean transportation as well as the decarbonisation of energy systems worldwide.

**While progresses are still to be made for the two portfolio companies** to improve their ESG positioning and ability to demonstrate that it meets EU Taxonomy criteria and follow good governance practices, **both companies are strongly committed to implement necessary actions in the near future.** H2SITE, for instance, is deploying an ambitious Action Plan to align with the requirements of the EU Taxonomy's Do No Significant Criteria for activity 9.1. *close to market research, development, and innovation* within a year (i.e., the only activity that is not aligned to date), while implementation of Action Plans for Hexagon Purus may take several years given its much larger size.

### What was the asset allocation?

In 2024, Hy24 has determined that 100% of investments are sustainable investments with an environmental objective in the meaning of Article 2(17) of the SFDR:

- Hexagon Purus and H2SITE both **contributed to the integration of renewable and low-carbon energy, clean transportation and the decarbonisation of energy systems** with the purpose of reducing and/or avoiding GHG emissions and mitigating climate change.
- Hy24 ensured that its **investments do not cause significant harm to other sustainable objectives**, thanks to a close monitoring of principal adverse impact on sustainability factors, through the due diligence process and its ESG Monitoring & Reporting Framework. When practices were not considered sufficient, dedicated action plans were formalised and portfolio companies made commitments to implement necessary actions in the near future. This monitoring was supported by

**Asset allocation** describes the share of investments in specific assets.

<sup>3</sup> Share of portfolio companies in the Clean H2 Equipment Fund is based on the assets' valuation as of 31/12/2024.

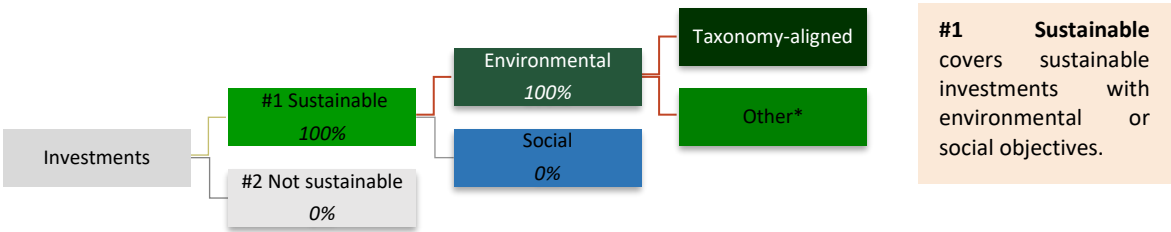
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

an engagement campaign, which allowed the portfolio companies to improve its maturity on ESG topics and therefore reduce their adverse impacts on the environment and its stakeholders. For H2SITE, regular meetings with H2SITE were held to monitor progress made in the deployment of the Action Plan designed to align with Do No Significant Criteria set by the EU Taxonomy. Important milestones were achieved, such as the realisation of a climate risk assessment, Environmental Impact Assessment or the creation of a plan to phase out substances of concern (e.g., chloroform, hydrazine).

- Hy24 ensured that **good governance practices are respected by its portfolio company** and that no significant risks are present in relation to this aspect. When practices were not considered sufficient, dedicated action plans were formalised and portfolio companies made commitments to implement necessary actions in the near future. For Hexagon Purus, this monitoring was supported by an engagement campaign, which allowed the portfolio company to improve its maturity on governance and social topics. Regular meetings with H2SITE were held to monitor progress made in the deployment of the Action Plan designed to align with Minimum Social Safeguards defined by the EU Taxonomy. Important milestones were achieved like the deployment of a whistleblowing policy allowing for alignment with Minimum Social Safeguards already.

The following graphs represent the final allocation of sustainable investments in 2024:



*\*A detailed explanation on why some portfolio companies are not aligned with the EU Taxonomy is provided below.*

● **In which economic sectors were the investments made?**

The investments made during the period covered by this report were made in the manufacturing of hydrogen equipment and technologies serving the zero-emissions mobility and infrastructure sectors.



**To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The manufacture of equipment and technologies for zero emissions mobility and infrastructure is **already embedded in the EU Taxonomy framework**. In this regard, Hy24 aims to align the assets of the Clean H2 Equipment Fund with the EU Taxonomy criteria for contributing to climate change mitigation.

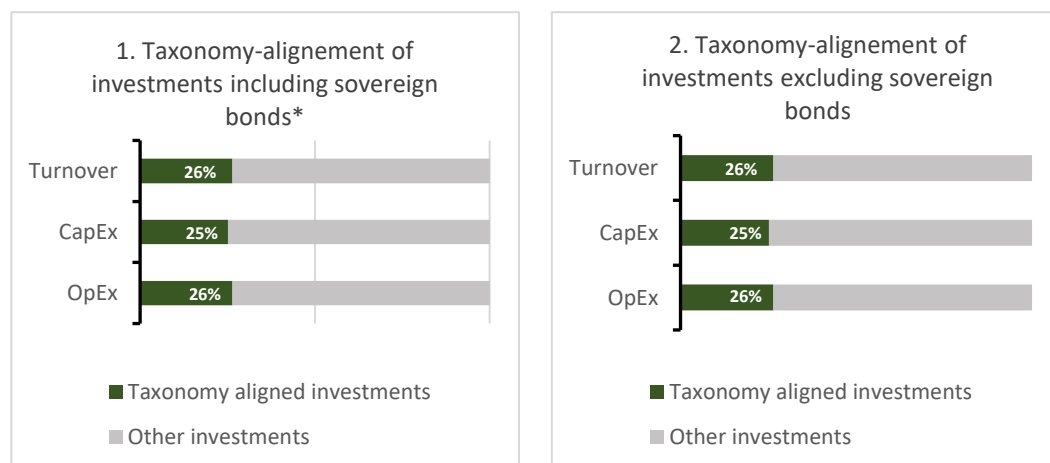
Hexagon Purus, one of the two assets currently in the Clean H2 Equipment Fund's portfolio, is a publicly listed company. Therefore, the degree to which the investment is in environmentally sustainable economic activities could be derived from public disclosures.

For companies which are not publicly listed and therefore do not disclose Taxonomy alignment on a stand-alone basis, Hy24 bases its assessment on "equivalent information" as referred to in the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022. This information is obtained through engagement with its investee companies, as in the case of H2SITE.

Additionally, for some portfolio companies, the financial accounts will be finalised after the completion of Hy24's reporting. Consequently, the EU Taxonomy-alignment calculation for this portfolio company is an estimation based on available data at the time of reporting. This information was not audited by a third party.

At the end of the 2024 reporting period, **26%** of sustainable investments with an environmental objective are aligned with the EU Taxonomy **on the basis of turnover**, and **25%** are aligned with the EU Taxonomy **on the basis of CapEx**. The Fund calculates EU Taxonomy KPIs following a **controlled approach**, in line with requirements defined by the Commission Delegated Regulation (EU) 2021/2178 supplementing Article 8 of Regulation 2020/852.

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-align only in relation to the investments of the financial product other than sovereign bonds.*



*\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

**Hy24 is committed to maximize the EU Taxonomy alignment of its portfolio.** For investments under the Clean H2 Equipment Fund, Hy24 aims to achieve at least 60% alignment over the holding period with a minimum level of 30% alignment. In terms of Taxonomy alignment, most portfolio companies who have not started operations or have

started operations recently will be Taxonomy-aligned by virtue of their CapEx plans<sup>4</sup>. The purpose of a CapEx plan is to provide a degree of assurance that eligible activities will be Taxonomy-aligned and allow, on that basis, to count CapEx as already Taxonomy-aligned while incurred in the periods before the expansion is completed. The measures of the CapEx plan must be achieved in five-years' time from the approval of the plan by a management body<sup>5</sup>. To ensure that CapEx is allocated to the achievement of Taxonomy alignment, at the end of the due diligence phase, Hy24 constructs a "Taxonomy alignment Action Plan" for each portfolio company. These Action Plans are agreed with the target company, approved by management, and implemented during the holding period. Hy24 monitors the progress of these Action Plans on an early basis to ensure that intermediary steps are implemented toward full alignment within the required timeline.

In 2024, Taxonomy alignment figures reported are below Hy24's expectations. This is due to an excess of caution and highly restrictive interpretation of European Commission guidance on the application of "CapEx Plan" provisions<sup>6</sup>, specifically affecting Hexagon Purus' disclosures. **In 2024, Hexagon Purus has invested CapEx in expanding its Taxonomy-aligned economic activities and in allowing a "Taxonomy-eligible economic activities to become Taxonomy-aligned." Such CAPEX is recorded in its financial statements. At the same time, it has worked on implementing its Taxonomy alignment action plan, drawn up by Hy24 to ensure that all criteria are met across all its activities, including the ones targeted by the CAPEX recorded.** Nevertheless, at the advice of its auditors, Hexagon Purus has reported such CapEx as non-aligned.

If Hexagon Purus would have reported its CapEx which is, de facto, part of its *plans to expand Taxonomy-aligned economic activities* as aligned, the **Clean H2 Equipment Fund's total alignment at the Fund level based on CapEx would have been 96%**, well within Hy24 intended Taxonomy alignment targets.

We will work in 2025, together with our portfolio companies, to ensure that such restrictive interpretations do not prejudice EU Taxonomy reporting in the future. Specifically, we will ensure that a more explicit link between the EU Taxonomy action plans and the companies CapEx is established.

The **compliance with regulatory requirements is embedded into Hy24's engagement campaign**. Based on Hy24's ESG Monitoring & Reporting Framework, the following table provide an overview of **Hy24's assessment of its portfolio company's compliance with the EU Taxonomy-related criteria**:

#### Compliance with Substantial Contribution Criteria (Climate change mitigation)

<sup>4</sup> Under EU Taxonomy regulations (Annex 1 of the Delegated Act 2021/4987) a CapEx plan is defined as a "*(investment) plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned.*" The conditions for alignment include that the measures in the CapEx plan are achieved within five years and that the plan is approved by the management body of non-financial undertakings either directly or by delegation.

<sup>5</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02021R2178-20240101>

<sup>6</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:C\\_202300305](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:C_202300305)

<b>3.18 – Manufacture of automotive and mobility components</b>	The Kassel, Westminster and Shijiazhuang facilities manufacture automotive and components for the automotive industry. Hydrogen Type 4 high-pressure cylinders and hydrogen storage systems manufacture allow various mobility solutions to run with zero direct tailpipe CO2 emissions. As such, Hexagon Purus is considered to comply with the SCC requirements defined as part of the EU Taxonomy and contribute to climate change mitigation.
<b>3.19 – Manufacture of rail rolling stock constituents</b>	The Weeze, Kassel and Westminster facilities manufacture rail rolling stock constituents. The hydrogen storage systems manufactured in these facilities allow trains to operate with zero direct CO2 emissions. As such, Hexagon Purus is considered to comply with the SCC requirements defined as part of the EU Taxonomy and contribute to climate change mitigation.
<b>3.2 – Manufacture of equipment for the production and use of hydrogen</b>	Hexagon Purus' Weeze and Kassel facilities manufacture equipment which can be used both for the storage and use of hydrogen, primarily for the mobility sector. As such, Hexagon Purus is considered to comply with the SCC requirements defined as part of the EU Taxonomy and contribute to climate change mitigation.  H2SITE manufactures membrane reactor technology enabling the separation and purification of hydrogen from gas streams and easy-to-transport molecules (e.g., ammonia). The equipment manufactured by H2SITE is designed to facilitate the use of hydrogen in a number of use cases (e.g., to replace fossil fuels on board of vessels for ship owners and operators). Hydrogen produced using technology developed by H2SITE leads to 0.853 kg of CO <sub>2</sub> /kg of H <sub>2</sub> throughout the product's life cycle, well below the 3 kg of CO <sub>2</sub> /kg of H <sub>2</sub> threshold defined by the EU Taxonomy to comply with this SCC requirement. This life cycle assessment was conducted in accordance with the ISO 14067 standard and will be verified by an independent party.
<b>3.3 – Manufacture of low carbon technologies for transport</b>	The Alesund facility manufactures hydrogen fuel storage systems for maritime applications which enable vessels to operate with zero direct CO2 emissions. As such, Hexagon Purus is considered to comply with the SCC requirements defined as part of the EU Taxonomy and contribute to climate change mitigation.
<b>3.4 – Manufacture of batteries</b>	The Kelowna and Dallas facilities assemble high energy density battery packs and fully integrated electrified accessory systems to deliver light, efficient and long range zero tailpipe emissions power for commercial medium- and heavy-duty vehicles. As such, Hexagon Purus is considered to comply with the SCC requirements defined as part of the EU Taxonomy and contribute to climate change mitigation.
<b>3.6 – Manufacture of other low carbon technologies</b>	The Weeze facility manufactures high-pressure gas bundles which can be used to store or transport a variety of gases, including hydrogen. These products are classified as other low carbon technologies under the EU Taxonomy.  To be considered aligned with the EU Taxonomy, the manufacture of low carbon technologies should demonstrate substantial life cycle GHG emission savings compared to the best performing alternative technology available on the market. To date, Hexagon Purus has not conducted this assessment yet meaning that alignment with the SCC requirements defined as part of the EU Taxonomy cannot be demonstrated.  Hexagon Purus is committed to performing this assessment in the near future and have results verified by an independent third-party.

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**4.16 –  
Installation and  
operation of  
electric heat  
pumps**

Twenty air conditioning units are in operation at H2SITE's facilities, eight of which meet the SCC requirements defined as part of the EU Taxonomy. Specifically, these eight air conditioning units use refrigerants with a global warming potential below the 675 thresholds set by the EU Taxonomy and meet the energy efficiency standards set out in Directive 2009/125/EC.

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**9.1 – Close to  
market research,  
development and  
innovation**

H2SITE conducts research and development activities to develop new technologies to accelerate the use of hydrogen. For instance, it has developed a membrane reactor technology enabling the separation and purification of hydrogen which allows for the increased use of hydrogen in a broad number of contexts (e.g., maritime industry, industrial hydrogen users). In doing so, H2SITE ultimately contributes to the development of hydrogen and related GHG emissions reduction and avoidance provided that low-carbon hydrogen is used. Additionally, the technologies developed by H2SITE stands out due to its palladium alloy membrane combined with reactors and separator solutions developed by the company, allowing for greater energy efficiency than existing alternatives on the market. As such, H2SITE demonstrates alignment with the SCC requirements of the EU Taxonomy.

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**Compliance with Do No Significant Harm Criteria**

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**Climate change  
adaptation**

Through its ESG Monitoring & Reporting Framework, Hy24 was able to assess whether portfolio companies had conducted a climate physical risk assessment and adopted adaptation measures to mitigate identified risks, when relevant.

In 2024, Hexagon Purus has conducted a climate physical risk assessment on the majority of its facilities and intends to carry out climate physical risk assessments on the remaining three sites moving forward. To date, Hexagon Purus has not adopted adaptation measures to address risks identified through these analyses, though it has implemented local crisis management protocols in some locations. The company intends to deploy adaptation measures in site operations and planning moving forward. As per EU Taxonomy requirements, once all climate physical risks assessment will have been conducted and adaptation measures implemented, Hexagon Purus will be considered aligned with these criteria.

H2SITE has conducted climate physical risks and vulnerability assessment for two of its existing activities (i.e., *3.2 Manufacture of equipment for the production and use of hydrogen* and *4.16 Installation and operation of electric heat pumps*) and has deployed adaptation measures according to the elements identified by the assessment. In addition, the company is committed to conducting a climate physical risk and vulnerability assessment before the start of new operations to identify and roll out measures in line with the climate change adaptation criteria. As part of a CapEx Plan, H2SITE is also committed to assessing the potential risks of the technologies, products or solutions being developed by the company in relation to climate change adaptation so as to meet the Climate Adaptation DNSH requirements set by the EU Taxonomy for the *9.1 Research, development and innovation close to the market* activity.

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<p><b>Water</b></p>	<p>The ESG Monitoring &amp; Reporting Framework also allowed Hy24 to assess whether portfolio companies had conducted a water stress and quality risk assessment and adopted mitigation measures, when pertinent.</p> <p>In 2024, Hexagon Purus had carried out an evaluation of water stress and quality risks at all of its sites. For all but one site, a standalone analysis leveraging recognised resources (e.g., WWF Risk Filter, WRI's Aqueduct tool) had been conducted. For the remaining site, the analysis was done through a broader Environmental Impact Assessment. These assessments concluded that Hexagon Purus' activities did not pose any risk in terms of water stress and water quality. Based on this, Hexagon Purus is deemed to meet the DNSH criteria related to Water across its sites and activities.</p> <p>H2SITE has performed a water impact assessment for two of its existing activities (i.e., <i>3.2 Manufacture of equipment for the production and use of hydrogen</i> and <i>4.16 Installation and operation of electric heatpumps</i>) in accordance with the EU Taxonomy requirements. According to this assessment, H2SITE's activities do not significantly impact water and marine resources. To ensure a sustainable use and protection of water, the company has committed to assess water quality and water stress when designing new plants to identify mitigation solutions to roll out. As part of a CapEx Plan, H2SITE is also committed to meeting the Water DNSH requirements set by the EU Taxonomy for the <i>9.1 Research, development and innovation close to the market</i> activity.</p>
<p><b>Circular Economy</b></p>	<p>The circular economy DNSH refers to several criteria including i) reuse and use of secondary raw materials and re-used components in products manufactured, ii) design for high durability, recyclability, easy disassembly and adaptability of products manufactured, iii) waste management that prioritises recycling over disposal in the manufacturing process and iv) information on and traceability of substances of concern throughout the life cycle of the manufactured products.</p> <p>To date, Hexagon Purus has implemented several measures dedicated to points ii) and iii). For instance, regarding point ii), Type 4 cylinders and distribution modules as well as stationary storage are designed to boost their durability (e.g., high strength carbon fibre to reduce damage and fatigue, non-corroding materials). Hexagon Purus has committed to assess and adopt, when feasible, measures linked to subpoints i) and iv) to align itself fully with the Circular Economy DNSH</p> <p>H2SITE has implemented several measures related to points i), ii), iii) and iv). For instance, regarding point i), the use of recycled materials and reusable components in the manufacture of equipment is encouraged whenever feasible and in compliance with quality and safety standards. Based on this, H2SITE's <i>3.2 Manufacture of equipment for the production and use of hydrogen</i> is deemed to meet the DNSH criteria related to Circular Economy. Similarly, H2SITE evaluated the availability of heat pumps meeting circular economy principles (e.g., high durability) and works with an authorised manager to ensure proper use and valorisation at the equipment end of life. Based on this, H2SITE's <i>4.16 Installation and operation of electric heat pumps</i> is deemed to meet the DNSH criteria related to Circular Economy.</p> <p>As part of a CapEx Plan, H2SITE is also committed to meeting the Circular Economy DNSH requirements set by the EU Taxonomy for the <i>9.1 Research, development and innovation close to the market</i> activity.</p>
<p><b>Pollution prevention</b></p>	<p>Hy24 collected information on the measures taken to mitigate material pollution risks through its ESG Monitoring &amp; Reporting Framework.</p>

	<p>According to Hexagon Purus, the presence and/or use of substances listed in Appendix C is low or non-existent. The company is committed to conducting a company-wide screening of substances used and to review its manufacturing processes if deemed necessary in the future.</p> <p>Similarly, H2SITE has screened its manufacturing processes to assess whether it was manufacturing, placing on the market or using the substances listed in Appendix C. Following this assessment, it has developed and started implementing a plan to phase out the use of hydrazine by the end of 2026. It has already phased out the use of chloroform in 2024.</p> <p>As part of a CapEx Plan, H2SITE is also committed to meeting the Pollution Prevention DNSH requirements set by the EU Taxonomy for the <i>9.1 Research, development and innovation close to the market</i> activity.</p>
<p><b>Biodiversity</b></p>	<p>The ESG Monitoring &amp; Reporting Framework also allowed Hy24 to assess whether portfolio companies were subject to an Environmental Impact Assessment (EIA), had completed one when required and had implemented mitigation and/or compensation measures when necessary. It further allowed Hy24 to understand whether portfolio companies' sites were located in or near biodiversity-sensitive areas and whether specific assessments had been carried out.</p> <p>EIAs have been conducted for three Hexagon Purus sites. The EIA required for one of them has been conducted as requested and mitigation measures implemented (i.e., installation of waste rooms for temporary storage of solid waste before treatment, plant sound insulation). In addition, none of these three sites was found to be located near biodiversity sensitive areas. Since four of the company's remaining sites are located near biodiversity areas, Hexagon Purus has committed to assess their whether their relative operational footprint and its impact requires them to implement any mitigation procedures as requested by the EU Taxonomy.</p> <p>H2SITE has conducted EIA for two of its existing activities (i.e., <i>3.2 Manufacture of equipment for the production and use of hydrogen and operation of electric heat pumps</i>) and has, therefore, obtained required environmental approvals as per applicable regulations. The company plans to deploy mitigation and compensation measures when deemed necessary by the EIA. Similarly, H2SITE has committed to carry out EIA when designing new plants to identify mitigation solutions to roll out.</p> <p>This DNSH does not apply to H2SITE's <i>9.1 Research, development and innovation close to the market</i> activity.</p>
<p><b>Compliance with Minimum Social Safeguards (MSS)</b></p> <p>In 2024, Hy24 relied on the work of the Platform on Sustainable Finance, and especially on the <b>Final Report on Minimum Safeguards</b> published in October 2022, to structure its engagement on MSS during the engagement campaign.</p> <p>In line with the MSS guidelines, Hy24 verifies whether its Fund's portfolio company has implemented all requirements applicable. This includes <b>verifying that no court cases and breaches on the law of human rights, corruption, taxation and fair competition were present</b> against portfolio companies or their Senior Management, as well as <b>the existence of required policies and procedures</b> in relation to human rights, bribery and corruption.</p> <p>Furthermore, Hy24 recognises that the analysis of MSS should be context specific, considering companies' maturity and available resources and capabilities. As such, plans to develop appropriate policies and procedures might be issued to ensure compliance.</p>	

**Human Rights  
(incl. labour  
and consumer  
rights)**

When it comes to the topic of human rights, a focus was given to the identification of internal procedures and policies in place to ensure that portfolio companies do not generate adverse impacts on human rights, including labour and consumer rights. To ensure that policies are in fact supporting the protection of internationally recognised human rights (incl. labour and consumer rights), Hy24 monitors the adequate implementation of these policies.

In 2024, Hexagon Purus had policy commitments to respect human rights. In Spring of 2024, Hexagon Purus engaged a third-party consultancy to conduct a contextual high-level human rights risk assessment focusing on upstream and own operations. This assessment is planned to be renewed annually as requested by Norwegian law. Following this analysis, Hexagon Purus issued a specific policy on Human Rights and Working Conditions to address all potential adverse impacts. The company's whistleblowing procedure is another component of this approach, helping to strengthen risk management and promoting accountability. No related breaches were found for 2024.

The second portfolio company, H2SITE, has implemented a code of conduct addressing human resources management and labour rights, including equality of opportunities, work-life balance and employee safety and stating the company's commitment to respect the principles of the United Nations Global Compact on human rights. H2SITE implements due diligence mechanisms to identify, prevent negative impacts on human rights within its operations and in its upstream value chain. Moreover, in 2024, no breach has been reported on human rights topics.

**Anti-  
corruption**

Dealing with public authorities adds an additional layer of importance to business ethics for companies. That is why Hy24 ensures that all companies have adopted an applicable policy relating to bribery and corruption and that procedures to ensure its effectiveness are implemented (i.e., training on anti-bribery and anti-corruption).

In 2024, Hexagon Purus has integrated guidance on anti-bribery rules and expected conduct from employees in existing policy frameworks. Based on existing bribery risk assessments, the procedures cover good corporate governance and address different topics such as receiving invitations and gifts and managing conflicts of interest. No related breaches were found for 2024.

H2SITE has also formalised a code of conduct addressing bribery and anti-corruption, including conflicts of interest, gift policies and behaviour towards public administrations. No breach was reported on this topic in 2024.

As a result, both portfolio companies were aligned with MSS requirements related to anti-corruption and bribery.

**Taxation**

Similarly, the ESG monitoring included the verification of court cases and breaches on the law on taxation. Hexagon Purus was not convicted of tax evasion in court over the reporting period. H2SITE's code of conduct already dealt with taxation issues and no breach were reported on this topic in 2024.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

	As a result, both portfolio companies were aligned with MSS requirements related to taxation.
<b>Fair Competition</b>	<p>The ESG monitoring also included the verification of court cases and breaches on competition law. Hexagon Purus was not found in breach of competition law over the reporting period. H2SITE’s code of conduct already dealt with competition issues and no breach were reported on this topic in 2024.</p> <p>As a result, Hexagon Purus was aligned with MSS requirements related to fair competition.</p>

● *Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?*

☐ Yes

☐ In fossil gas
☐ In nuclear energy

☒ No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● *What was the share of investments made in transitional and enabling activities?*


According to the Delegated Regulation 2021/2139 and the Delegated Regulation 2023/2485, **seven out of the eight EU Taxonomy activities covered by the Clean H2 Equipment Fund are considered enabling activities**. 4.16 Installation and operation of electric heat pumps is the only activity that is not considered enabling nor transitional. It represents a small share of H2SITE’s eligible and aligned OpEx.

Taxonomy Activity	Transitional vs Enabling
3.18 - Manufacture of automative and mobility components	Enabling
3.19 - Manufacture of rail rolling stock constituent	Enabling
3.2 – Manufacture of equipment for the production and use of hydrogen	Enabling
3.3 - Manufacture of low carbon technologies for transport	Enabling

3.4 - Manufacture of batteries	Enabling
3.6 - Manufacture of other low carbon technologies	Enabling
4.16 – Installation and operation of electric heat pumps	Neither
9.1 - Close to market research development and innovation	Enabling


● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

Since 2024 is the first year of reporting for Hy24's Clean H2 Equipment Fund, no evolution related to EU Taxonomy alignment is reported.

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

 **What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

In 2024, 26% of the investments are aligned with the EU Taxonomy based on their revenues. The remaining 74% corresponds to the revenues generated by Hexagon Purus as the company is not fully aligned with the EU Taxonomy yet, with gaps on Do No Significant Harm criteria primarily. Hexagon Purus has committed to implement the appropriate actions to ensure complete alignment with the EU Taxonomy through a dedicated Action Plan. Thus, eligible revenues from Hexagon Purus should progressively become aligned as the company deploys the aforementioned Action Plan.

 In 2024, 25% of the investments are aligned with the EU Taxonomy based on their CapEx. The remaining 75% corresponds to: CapEx deployed by Hexagon Purus and not deemed aligned with the EU Taxonomy by the company at the advice of its auditors. Hy24 is not aligned with this highly restrictive interpretation of the European Commission guidance on the application of "CapEx Plan" provisions<sup>7</sup>. If Hexagon Purus would have reported its CapEx which is, de facto, part of its *plans to expand Taxonomy-aligned economic activities* as aligned, the Clean H2 Equipment Fund's total alignment at the Fund level based on CapEx would have been 96%.

**What was the share of socially sustainable investments?**

The portfolio companies of the Clean H2 Equipment Fund are part of the clean hydrogen supply chain and, therefore, contribute to the integration of renewable and low-carbon energy, clean transportation and the decarbonisation of energy systems. The Fund does not have a socially sustainable investment objective, and no investment made over the reporting period are intended to be qualified as socially sustainable.

<sup>7</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:C\\_202300305](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:C_202300305)



### What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

The portfolio companies of the Clean H2 Equipment Fund contributed to the sustainable objective of developing the clean hydrogen supply chain with the purpose of mitigating climate change, met the ‘do no significant harm principle’, as defined by the SFDR, and alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.



### What actions have been taken to attain the sustainable investment objective during the reference period?

As detailed throughout this document, since the inception of the Clean H2 Equipment Fund in 2024, Hy24 has launched an extensive engagement campaign to support Hexagon Purus and H2SITE in the integration of ESG capabilities and its alignment with the EU Taxonomy. For both companies, a detailed ESG Action Plan was drawn up in the DD stage and implemented in order to enhance the performance of the two companies in terms of ESG matters and to enhance their alignment with EU Taxonomy criteria.

Actions taken by Hy24 to attain the sustainable objective of the Clean H2 Equipment Fund in 2024, include:

- Application of Hy24’s **Responsible Investment Policy**, which integrates ESG considerations and actions throughout the entire investment cycle. This policy is aligned with the latest regulatory evolutions and clarifications from the European Commission regarding the SFDR and the EU Taxonomy.
- **ESG analysis performed in pre-investment phase** followed the **Hy24’s extensive sustainability due diligence approach**, merging sustainable finance requirements, specifically those of the SFDR and EU Taxonomy, with ESG materiality and maturity analysis.
- **Two transactions were made over the reporting period**. These transactions concerned two assets which demonstrated their contribution to the scaling up of the hydrogen supply chain in Europe and around the world as well as their contribution to climate change mitigation.
- **Engagement campaign with the Fund’s portfolio companies** with the goal of improving their maturity on ESG priorities, building internal capacity and assisting them to comply with the regulatory requirements of the SFDR and the EU Taxonomy. In doing so, Hy24 ensures that its portfolio companies are committed to maximising their positive impact and minimising their potential negative impact on their stakeholders and the environment. This engagement campaign is also key for Hy24 to meet its ambitions of fostering the hydrogen supply chain in a sustainable way.
- Hy24 had a **constant dialogue with its Fund’s portfolio companies**, meeting on a quarterly basis to discuss updates and provide their management with technical and regulatory support for the completion of the ESG Monitoring & Reporting Framework. These meetings were supplemented by a **Technical Training** dispensed by Hy24’s ESG Team with the support of external consultants at the beginning of the reporting period. Several follow-up meetings were organised along the data

collection and consolidation process to answer potential questions and guarantee the quality of the data reported. Finally, to further support portfolio companies in their ESG reporting operations and simplify the associated processes, Hy24 is currently working on the digitalisation of the ESG Monitoring & Reporting Framework.

- As an article 9 fund under the SFDR and with its objective of aligning with the EU Taxonomy, the Clean H2 Equipment Fund must constantly stay up to date with the evolution of the regulatory context. Hy24 ensures it **maintains a clear vision of its regulatory obligations**, keeps its investors informed of evolutions and supports its portfolio company in implementing potential changes as precisions are provided by the supervisory authorities. For instance, in 2024, Hy24 primarily focused on **understanding the implications of the CSRD** for its **portfolio**, to anticipate reporting timelines for portfolio companies and better support them in the coming year in the implementation of the Directive. A second focus was made following the adoption of the Corporate Sustainability Due Diligence Directive (**CS3D**), to apprehend portfolio company's potential new regulatory requirements or value chain actors' inquiries and understand the articulation between CS3D and the Minimum Social Safeguards required under the Taxonomy regulation.



#### How did this financial product perform compared to the reference sustainable benchmark?

No specific index has been designated as a reference sustainable benchmark for the Fund.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.

# ANNEX I - PAI indicators

**Methodological note:** Hy24 has consolidated the PAI indicators at the portfolio company level using a proportional approach. This means that at portfolio company level, indicators have been calculated using an equity approach rather than an operational control approach. Under the equity approach, a company accounts indicators according to its share of equity in the operation. Hy24 believes that this approach better reflects the principal adverse impact of its portfolio companies, and thus of its Fund. For consolidating the indicators at the Fund level, Hy24 has followed the methodology laid out in Annex 1 of the Delegated Regulation 2022/1288. The Principal Adverse Impact indicators were collected for 100% of the investment value of Hy24.

## 1) Environmental-related indicators

Adverse sustainability indicator		2024 Impact	Unit	Explanation	Actions taken, actions planned, and targets set for the next reference period
GHG emissions	Scope 1 GHG emissions	32	tCO2eq.	<p><u>Perimeter:</u> 100% of current value of Hy24 investment</p> <p><u>Results explanation:</u> The GHG emissions represent the share of emissions generated by portfolio companies and their projects attributable to the Fund. Hy24 has not used proxy data for the calculation of GHG emissions and relies on company data for all scopes. Scope 3 GHG emissions represent the brunt of portfolio companies GHG emissions, which is coherent for companies operating in the manufacturing sector.</p>	<p><u>Ambitions and targets:</u> Hy24's investment thesis is based on the belief that, by investing in companies operating in the hydrogen supply chain, Hy24 will directly contribute to the avoidance of carbon emissions with a view to support the long-term global warming objectives of the Paris agreements.</p> <p>The focus of assets should therefore be to expand their activities that will contribute to the integration of renewable and low-carbon energy, clean transportation and the decarbonization of energy systems.</p> <p><u>Expected evolutions:</u> Given the recent inception of the Fund, its GHG footprint will most likely increase in future years as the number of portfolio companies grows.</p> <p>Finally, the alignment of Clean H2 Equipment Fund's assets with most of the substantial contribution criteria to climate change mitigation ensures that its activities support the energy transition and present limited GHG emissions.</p>
	Scope 2 GHG emissions - MB <sup>8</sup>	290	tCO2eq.		
	Scope 2 GHG emissions - LB <sup>9</sup>	179	tCO2eq.		
	Scope 3 GHG emissions	2,833	tCO2eq.		
	Total GHG emissions - MB <sup>8</sup>	3,154	tCO2eq.		
	Total GHG emissions - LB <sup>9</sup>	3,043	tCO2eq.		
Carbon footprint <sup>10</sup>		167	tCO2eq. / €M investment	<u>Perimeter:</u> 100% of current value of Hy24 investment	
GHG intensity of investee companies <sup>4</sup>		401	tCO2eq. / €M revenues	<u>Perimeter:</u> 100% of current value of Hy24 investment	

<sup>8</sup> Market-based

<sup>9</sup> Location-based

<sup>10</sup> Calculated using market-based total emissions

<b>Exposure to companies active in the fossil fuel sector</b>		0%	share of investment	<u>Perimeter:</u> 100% of current value of Hy24 investment <u>Results explanation:</u> In alignment with the Fund investment strategy and Hy24 Responsible Investment Policy, no investment was made in companies active in the fossil fuel sector.	<u>Ambitions and targets:</u> Hy24 plans to continue following the investment strategy defined for the Fund.
<b>Share of non-renewable energy consumption and production</b>		0%	share of non-renewable energy production	<u>Perimeter:</u> 100% of current value of Hy24 investment <u>Results explanation:</u> Energy production is not core to the activities of Hexagon Purus nor to those of H2SITE.	<u>Measures and expected evolutions:</u> With the support of Hy24, Hexagon Purus and H2SITE will continue investigating opportunities to increase their share of renewable energy consumption.
		63%	share of non-renewable energy consumption	To date, most of the energy consumed by Hexagon Purus' facilities is from non-renewable sources while H2SITE's renewable energy consumption almost equals its non-renewable energy consumption. However, Hexagon Purus is investigating opportunities to increase its consumption from renewable sources and has equipped some of its facilities with solar panels.	
<b>Energy consumption intensity per high impact climate sectors</b>		0,07	GWh / €M revenues	<u>Perimeter:</u> 100% of current value of Hy24 investment <u>Results explanation:</u> Hexagon Purus and H2SITE are both classified in high impact climate sectors as companies operating in the manufacturing sector	<u>Measures and expected evolutions:</u> Hy24 will continue monitoring this indicator to track progress.
<b>Biodiversity</b>	<b>Activities negatively affecting bio-diversity</b>	0%	share of investment	<u>Perimeter:</u> 100% of current value of Hy24 investment <u>Results explanation:</u> The protection of biodiversity is included in the Action Plans developed by Hy24 for its portfolio companies. As the Fund targets the EU Taxonomy-alignment of its activities, the monitoring and mitigation of biodiversity impacts is central. The Fund supports its portfolio companies by reviewing documentation related to EIA and EIA screening and providing adequate frameworks for biodiversity impact assessment.	<u>Measures and expected evolutions:</u> Hy24 will continue monitoring biodiversity related metrics and supporting assets in the completion of biodiversity impact assessment in relation to the objective of EU Taxonomy-alignment of the Fund.
	<b>Operations affecting threatened species</b>	0%	share of investment		
<b>Water</b>	<b>Emissions to water</b>	0	tons / €M investment	<u>Perimeter:</u> 26% of current value of Hy24 investment <u>Results explanation:</u> Hexagon Purus was not able to collect the required data for this first year's reporting.	<u>Measures and expected evolutions:</u> Hy24 monitors portfolio companies' potential emissions to water through the ESG Monitoring & Reporting Framework developed for the Fund. Hy24 will continue requesting portfolio companies to report on this indicator in the following years.
<b>Waste</b>	<b>Hazardous waste</b>	0,23	tons / €M investment	<u>Perimeter:</u> 100% of current value of Hy24 investment. <u>Results explanation:</u> Most of the hazardous waste reported for Clean H2 Equipment Fund is associated with Hexagon Purus' activities rather than H2SITE's ones, which was expected given their respective size and range of activities. Hazardous waste generated by Hexagon Purus are mainly abrasives, resin and solvents.	<u>Measures and expected evolutions:</u> Hy24 monitors portfolio companies' hazardous waste through the ESG Monitoring Framework developed for the Fund. Hy24 will continue requesting portfolio companies to report on this indicator in the following years.

## 2) Social and employee, respect for human rights, anti-corruption, and anti-bribery matters

Adverse sustainability indicator	2024 Impact	Unit	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Investment in companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	share of investments	<p><u>Perimeter:</u> 100% of current value of Hy24 investment</p> <p><u>Results explanation:</u> Hy24 ensures through its ESG Monitoring &amp; Reporting Framework that no violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights occurred during the reporting year. This means that portfolio companies declared that the neither the company nor its top management were convicted for a breach in human rights due diligence, anti-corruption, taxation or and fair competition laws.</p>	<p><u>Measures:</u> The verification of the absence of business ethics and human rights conviction and controversy is part of Hy24's due diligence process.</p> <p>Furthermore, during the holding period, Hy24's monitors (and will continue to monitor) the implementation of material measures that mitigates the risks of violation of human rights or business ethics principles in line with the EU Taxonomy requirements regarding minimum social safeguards.</p>
Investment in companies with a lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	74%	share of investments	<p><u>Perimeter:</u> 100% of current value of Hy24 investment</p> <p><u>Results explanation:</u> H2SITE has formalised a policy commitment to respect the principles of the United Nations Global Compact on Human Rights and implemented a Human Rights due diligence process. Hexagon Purus has formalised a policy and is developing processes to strengthen compliance with the UN Global Compact and OECD Guidelines within the next year. Hexagon Purus is reported as only partially aligned to ensure complete transparency and based on a conservative approach.</p>	<p><u>Ambitions and targets:</u> Keeping the alignment of portfolio companies' activities with the OECD guidelines for MNEs and the UN GC Principles will be an integral part of future Hy24's engagement campaigns as it will allow to confirm the compliance with minimum safeguards of the Regulation (EU) 2020/852.</p> <p><u>Measures:</u> Through its ESG Monitoring &amp; Reporting Framework, Hy24 will support, when needed, portfolio companies in reinforcing their internal processes and compliance mechanisms.</p>
Unadjusted gender pay gap	7%	average gender pay gap	<p><u>Perimeter:</u> 100% of current value of Hy24 investment</p> <p><u>Results explanation:</u> The two portfolio companies reported slightly different unadjusted gender pay gap and do not publish this indicator in their annual report.</p>	<p><u>Measures and expected evolutions:</u> Hy24 has included diversity indicators in the ESG Monitoring Framework developed for the Fund. Understanding the importance of increasing diversity in the hydrogen sector, Hy24 will continue requesting portfolio companies to report on this indicator in the following years as its Fund will grow.</p>
Board gender diversity	41%	percentage of female members in governing bodies	<p><u>Perimeter:</u> 100% of current value of Hy24 investment</p> <p><u>Results explanation:</u> Both Hexagon Purus and H2SITE are monitoring board gender diversity. Board gender diversity is one of the eight sustainability KPIs monitored by Hexagon Purus to track its progress on ESG topics.</p>	<p><u>Measures and expected evolutions:</u> Hy24 has included diversity indicators in the ESG Monitoring Framework developed for the Fund. Understanding the importance of increasing diversity in the hydrogen sector, Hy24 will continue requesting portfolio companies to report on this indicator in the following years as its Fund will grow.</p>

<b>Investments in companies without workplace accident prevention policies</b>	0%	share of investments	<p><u>Perimeter:</u> 100% of current value of Hy24 investment</p> <p><u>Results explanation:</u> Both Hexagon Purus and H2SITE have formalised a workplace accident prevention policy.</p>	
<b>Rate of accidents</b>	17,54	accidents per millions of hours worked	<p><u>Perimeter:</u> 100% of current value of Hy24 investment</p> <p><u>Results explanation:</u> The Fund's rate of accidents is associated with Hexagon Purus' rate of accidents (H2SITE has a 0 rate of accidents). Due to the nature of Hexagon Purus' activities, employees are exposed to several hazards (e.g., work carried out in height, metal processing), which can lead to accidents. Hexagon Purus has recently formalised Global Safety Rules and implemented a global safety alert mechanism to enhance H&amp;S across its activities. Associated progress should be observed in the coming years.</p>	<p><u>Measures and expected evolutions:</u> The existence of policies and management systems to reduce safety risks is an integral part of Hy24's engagement campaign as it allowed to confirm the compliance with Minimum Safeguards.</p> <p>Data reported for health and safety indicators – especially number of days lost to injuries, accidents, fatalities, or illness - are likely to increase as the Fund will grow. As such, Hy24 will support, when needed, portfolio companies in implementing workplace accident prevention policies and monitoring safety-incidents.</p>
<b>Number of days lost to injuries, accidents, fatalities, or illness</b>	355	days lost	<p><u>Perimeter:</u> 100% of current value of Hy24 investment</p> <p><u>Results explanation:</u> The Fund's number of days of lost to injuries, accidents, fatalities, or illness is associated with Hexagon Purus' activities. Indeed, only Hexagon Purus reported having recorded days of lost to injuries, accidents, fatalities, or illness this year. Hexagon Purus' days lost are due to accidents and injuries, not to fatalities or illness. Notable progress should be observed in the coming years with the introduction of integrated management systems to identify and track the rate of incidents and numbers lost which allows it to improve via the institution of mitigation measures (already planned for 2025).</p>	
<b>Exposure to controversial weapons (anti-personal mines, cluster munitions, chemical weapons, and biological weapons)</b>	0%	share of investments	<p><u>Perimeter:</u> 100% of current value of Hy24 investment</p> <p><u>Results explanation:</u> In alignment with the Clean H2 Equipment Fund investment strategy and Hy24 Responsible Investment Policy, no investment was made in companies active in the weapons industry.</p>	<p><u>Measures:</u> Hy24 does not invest in companies engaged in controversial weapons.</p>