

ACATIS FAIR VALUE SPECIAL

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New Investment: ITM Power

ITM Power is a new stock in the Fair Value portfolio that specialises in the production of integrated hydrogen energy systems. Its proton exchange membrane electrolyser (PEM) makes it possible to produce hydrogen from water using electrolysis.

Together with the portfolio manager team, we visited the head office of this British company in Sheffield, and we discussed not just the company's business activities but also sustainability aspects.

With the production of PEM electrolysers and green hydrogen, as well as the expansion hydrogen fuelling stations, ITM Power contributes to promoting the hydrogen economy and decarbonisation. This is an important contribution towards compliance with our climate objectives. Our sustainability universe only permits companies whose products make a positive contribution to the 17 Sustainable Development Goals (SDG). With PEM, the company (founded in 2001) offers a product with a positive sustainability impact and thus contributes to achieving SDG 7 (Affordable and clean energy), SDG 9 (Industry, innovation and infrastructure) and SDG 13 (Climate protection measures).

In particular, ITM Power supports sub-goal 7.2 by promoting and distributing green hydrogen as a sustainable source of energy in order to enable wide access to environmentally-friendly energy; it also supports sub-goal 9.4 by offering scalable and modular PEM electrolysers, which enable the development of infrastructure for the sustainable use of energy and the promotion of the hydrogen economy.

In terms of SDG 13, it is important to mention sub-goal 13.2, as ITM Power also implements measures to adapt to climate change. The decarbonisation of industry and the use of green hydrogen contribute towards strengthening the resilience against climate-related risks.

The company achieves a good score in the ESG segment since it has a management system with key certifications, and because it has implemented structures for supporting future objectives and activities. Examples include the ESG incentive system for the company's Executive Directors.

ITM Power has potential areas of improvement with regard to the reporting of measures and activities in connection with the protection of human rights within the company. While the company extensively reports on compliance with human rights in the supply chain, this kind of information is missing at the company level. For example, it has not explicitly committed to the ILO core labour standards.

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